

THE COLOR OF CREDITWORTHINESS:  
DEBT, RACE, AND DEMOCRACY IN THE 21<sup>ST</sup> CENTURY

by

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## **Abstract**

*The Color of Creditworthiness: Debt, Race, and Democracy in the 21<sup>st</sup> Century* addresses the historical and contemporary politics of debt and race. It addresses the practices of debt and race together by demonstrating how debt has served as a central rhetorical and material nexus for producing asymmetrical power relationships between subjects figured as creditors or debtors through techniques for evaluating creditworthiness in varying combinations of moral, racial, economic, and political terms. The project proposes to view the creditor-debtor relation as the primary power relation underpinning capitalist society and liberal democracy, challenging a foundational assumption in liberal political theory and neoclassical economics that views exchange between contracting citizens or free-market actors as axiomatic. By contrast, the dissertation argues that capitalism and liberal democracy are based on asymmetrical power relations between creditor subjects who enjoy the political privilege of citizenship, the racial privilege of whiteness, and the economic privilege of creditworthiness, and debtor subjects figured as non-citizens, non-whites, and without credit.

The dissertation first puts Friedrich Nietzsche and Max Weber into conversation to illustrate how religiously derived notions of indebtedness and creditworthiness contributed to producing the model of the rational economic subject during the rise of early capitalism. Second, it engages the work of Karl Marx, Michel Foucault, W. E. B. Du Bois, and Saidiya Hartman to show how race and debt functioned together as crucial political technologies that shaped the liberal capitalist regime, serving to discipline and dispossess free blacks in the Reconstruction-era American South. Third, it performs a

close reading of recent theoretical works on debt by Maurizio Lazzarato and Annie McClanahan to argue that the neoliberal debt economy, and credit scoring in particular, constitute techno-political infrastructures of control maintaining a “colorblind” form of racial capitalism in the United States today. Finally, the dissertation draws on work in democratic theory from Wendy Brown, William Connolly, W. E. B. Du Bois and Joel Olson to make a case for the abolition of the contemporary regime of racialized indebtedness, which poses a severe threat to the unfinished project of democracy in America by undermining democratic citizenship, institutions and forms of popular struggle.

Advisors: William E. Connolly, P. J. Brendese

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## Introduction | Politicizing Debt in the 21st Century

*“Everything in this 'system' depends on the appearance of trade in which debtor is neither slave nor wagelaborer but a trader with an ironclad obligation to pay back the advance. Why this fiction of trade should exercise so much power is one of the great oddities of political economy . . . In this topsy-turvy semiosis, who was to say who was creditor and who was debtor, let alone what made a man a debtor and a debt a man?”*

— Michael Taussig<sup>1</sup>

Today, the words “credit” and “debt” are perpetually on the lips of journalists, politicians, and economists, often followed by troubling descriptors like “crunch,” “risk,” “bubble,” or “crisis.” From 1980 to the 2008 financial crisis, easy access to credit became the preferred solution through which the economy could continue to grow unceasingly, and the American dream of upward mobility and property ownership could be extended to an ever-expanding middle class. This dream of freedom could finally be extended to historically excluded populations deemed unworthy in the past. However, in recent years we have witnessed the collapse of financial markets built on housing debt, student loan levels in the U.S. topping \$1.3 trillion dollars,<sup>2</sup> sovereign debt levels leading to a showdown between Greece and the EU, and again in the U.S., massive debt crises in the City of Detroit and the territory of Puerto Rico leading to governmental takeovers, bankruptcies, and structural adjustments. After the housing bubble burst, leading to a global economic recession, the problem of mounting indebtedness in both the public and private sectors led to calls for “austerity” and belt-tightening in the European Union and the United States. Now, nearly a decade after the crisis, the U.S. stock market is soaring

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<sup>1</sup> Taussig, Michael. *Shamanism, Colonialism, and the Wild Man: A Study in Terror and Healing*. Nachdr. Chicago: Univ. of Chicago Press, 2004, 66.

<sup>2</sup> Student loan debt now surpasses consumer debt from credit cards, auto loans, and home equity lines of credit. Federal Reserve Bank of New York. “Quarterly Report on Household Debt and Credit - 2017Q3.” <https://www.newyorkfed.org/microeconomics/databank.html>. Accessed February 10, 2018.



again, and Republican majorities in Congress are poised to curtail regulations and drastically cut taxes on corporations and the ultra-wealthy, suddenly unconcerned with adding upwards of \$1.5 trillion to the deficit over the next decade.

It is now routine to make student loan payments for decades after borrowing the money needed to finance a higher education. We swipe our credit cards every day to purchase anything from a single cup of coffee to an expensive dental procedure. We make regular payments to private lenders to pay for the cars we drive and the homes in which we live. We are mostly unconcerned or at least indifferent to the reality that our purchase histories and consumer activities are carefully monitored, recorded, quantified, and shared by credit bureaus like Experian and Transunion and companies like Google which silently monitor our “views” and “clicks” as we browse and shop on the internet.

Perhaps most strikingly, the 45th President of the United States, Donald J. Trump, campaigning upon his business prowess and “art of the deal,” is unrepentant about the fact that his companies have undergone Chapter 11 bankruptcy on four separate occasions – more than any other company in the last 30 years.<sup>3</sup> As Trump remarked in the first Republican Presidential debate on August 6<sup>th</sup>, 2016, “I have used the laws of this country ... the [bankruptcy] chapter laws, to do a great job for my company, for myself, for my employees, for my family.”<sup>4</sup> Doing a great job for his companies, employees and for himself has meant legally outmaneuvering his creditors to shed the debts he owed to banks, employees, and suppliers.<sup>5</sup> However, Trump did not shed all of his debt before entering the Oval Office. As of May 2016, he owed \$713 million via 16 different loans to

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<sup>3</sup> Isidore, Chris. “Everything you want to know about Donald Trump’s bankruptcies.” *CNN Money*. August 31, 2015. <http://money.cnn.com/2015/08/31/news/companies/donald-trump-bankruptcy/index.html>

<sup>4</sup> Ibid.

<sup>5</sup> Ibid.

creditors, loans which pose numerous potential conflicts of interest.<sup>6</sup> Thus, like the investment banks bailed out with taxpayer money in 2008, Trump represents the strange case of the debtor who has become “too big to fail.” He is a living example of the saying: “If you owe the bank a hundred thousand dollars, the bank owns you. If you owe the bank a hundred million dollars, you own the bank.”<sup>7</sup>

Trump’s history of bankruptcy and indebtedness appears to have done nothing to temper his willingness to judge others who find themselves in debt. When Puerto Rico was devastated by Hurricane Maria in September 2017, its finances were under the control of a Federal supervisory board put in place after Puerto Rico had effectively declared bankruptcy the previous May with a staggering debt burden of approximately \$123 billion.<sup>8</sup> Puerto Rico’s public infrastructure, including its power grid, had fallen into disrepair well before Maria, due to budget cuts and austerity measures imposed by high debt service costs.<sup>9</sup> However, at the time of its bankruptcy declaration, Trump said on Twitter that there should be no “bailout” for Puerto Rico.<sup>10</sup> After Hurricane Maria had crippled the island, knocking out power to 3 million American citizens, and creating the potential for a massive humanitarian disaster in the days and weeks after the storm, Trump took to Twitter to tell Texas and Florida that they were “doing great,” while warning, “Puerto Rico, which was already suffering from broken infrastructure & massive

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<sup>6</sup> Choma, Russ. “A Guide to Donald Trump’s Huge Debts—and the Conflicts They Present.” *Mother Jones*. December 12, 2016. <http://www.motherjones.com/politics/2016/12/guide-donald-trump-debt/>

<sup>7</sup> Graeber, David. *Debt: The First 5,000 Years*. Updated and expanded ed. Brooklyn, NY: Melville House, 2014, 1.

<sup>8</sup> Walsh, Mary Williams. “Puerto Rico Declares a Form of Bankruptcy.” *The New York Times*. May 3, 2017. <https://www.nytimes.com/2017/05/03/business/dealbook/puerto-rico-debt.html>

<sup>9</sup> Vives, Ruben and Molly Hennessy-Fiske. “Puerto Rico’s debt-plagued power grid was on life support long before hurricanes wiped it out.” *The Los Angeles Times*. September 28, 2017. <http://beta.latimes.com/nation/la-na-puerto-rico-power-20170925-story.html>

<sup>10</sup> Walsh, Mary Williams. “Puerto Rico Declares a Form of Bankruptcy.” *The New York Times*. May 3, 2017. <https://www.nytimes.com/2017/05/03/business/dealbook/puerto-rico-debt.html>

[sic] debt, is in deep trouble...”<sup>11</sup> Going further, the four time bankrupt President, himself in debt for hundreds of millions of dollars, tweeted, “Much of the Island was destroyed, with billions of dollars owed to Wall Street and the banks, which, sadly, [sic] must be dealt with.”<sup>12</sup> Puerto Rico, with its long history of colonization and exploitation, was now suffering, in the words of San Juan’s Mayor Carmen Yulín Cruz, a “slow death” at the hands of both debt and natural disaster, and it was being blamed for its tragic fate by someone whose career in real estate and politics was fueled precisely by failing to pay his debts.<sup>13</sup>

We may chide Puerto Rico for its supposedly irresponsible behavior, or feel sympathy for Puerto Ricans suffering the effects of natural and economic disasters outside of its control. We may denounce Trump for his hypocrisy, or excuse him because he was savvy enough to game the system. We may have heard in the press that exotic debt-related securities called CDOs (collateralized debt obligations) and huge leveraged bets by investment banks were major factors in the 2008 financial crisis. But how much do we know about the networks of credit and debt that simultaneously shape our routine existence, make us feel obligated and responsible to repay money we’ve borrowed, and have the power to keep states and economies afloat, or bring them to their knees? Credit and debt affect us like two sides of the same coin: gift and risk, hope and despair. Credit is the life-blood of the capitalist economy, while its mercurial twin, debt, has the power to crash markets, destroy selective constituencies, and poison the body politic.

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<sup>11</sup> Davidson Sorkin, Amy. “The Distance between Donald Trump and Puerto Rico.” *New Yorker*. December 27, 2017. <https://www.newyorker.com/news/amy-davidson-sorkin/the-distance-between-donald-trump-and-puerto-rico>

<sup>12</sup> Ibid.

<sup>13</sup> Anderson, John Lee. “The Mayor of San Juan on Trump’s “Big Mouth” and What Puerto Rico Needs.” *The New Yorker*. October 12, 2017. <https://www.newyorker.com/news/news-desk/the-mayor-of-san-juan-on-trumps-big-mouth-and-what-puerto-rico-needs>

As this dissertation will illustrate, the paradoxical and crisis-prone relationship between credit and debt in contemporary society cannot be fully grasped by any one discipline. This requires attention to debt's history and to its politics. By "politics" I will refer to debt's ability to influence the distributions of power, wealth, status and life chances among individuals and groups within or between societies. Too often when debt is discussed in scholarly debates it is drained of political content and left to appear as a technical feature of the market. Debt is depoliticized in two primary ways. On the one hand, debt is treated as a narrowly defined and technical feature of the economy to be properly managed through scientific calculation and expertise. On the other hand, a debt is routinely assumed to be a solemn moral obligation deriving from a voluntary contractual exchange, which must be repaid no matter what. In a fascinating way, debt straddles a fault line between the moral and the economic, between the ostensibly subjective realm of culture and religion and the objective realm of economic models and market necessities. The politics of debt traverse this dividing line, requiring an understanding of both dimensions and the ways in which they interact, infuse, and conceal each other.

Following Friedrich Nietzsche, I will argue that it is better to consider debt less as a *thing*—a gift with strings attached; a promise to repay a quantifiable amount of money with interest by a certain date; a financial instrument—than as a *relation* between creditor and debtor through which power circulates, fashioning subjects on each side by imbuing each with relative rights, obligations, and status indicators.<sup>14</sup> Through this power relation,

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<sup>14</sup> See Nietzsche, Friedrich Wilhelm, Keith Ansell-Pearson, and Carol Diethe. *On the Genealogy of Morality*. Cambridge Texts in the History of Political Thought. New York: Cambridge University Press, 1994.

those fashioned as creditors are able to influence the current and future conduct of those in their debt. For the most part in contemporary capitalist society, creditors enjoy high status and moral superiority while debtors are routinely blamed for a lack of sound judgment and loose morals leading them down the path to insolvency and dependency. Moreover, creditors enjoy rights and legal apparatuses for enforcing repayment, seizing assets and punishing debtors in a variety of ways if they fail to repay the debts on time. However, this is not always the case, as evidenced by powerful debtors who wield outsized power when they are considered to be “too big to fail,” and manage to offload their moral and economic obligation to repay their debts onto others – à la Donald Trump.

While debt has attracted considerable scholarly attention in disciplines beyond economics— anthropology in particular<sup>15</sup>—few studies in political theory or political science have addressed debt as an explicit object of scholarly concern. While political economists and political scientists have certainly been concerned with financial crisis and the influence of markets and economic phenomena on political policies, institutions, and divisions, they tend to portray credit and debt primarily as technical features of the banking or public finance systems.<sup>16</sup> Political theorists who have written more critically

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<sup>15</sup> Key anthropological works on debt that have influenced my thinking include Mauss, Marcel. *The Gift: Forms and Functions of Exchange in Archaic Societies*. The Norton Library N378. New York: Norton, 1967; Roitman, J. “Unsanctioned Wealth; Or, The Productivity of Debt in Northern Cameroon.” *Public Culture* 15, no. 2 (April 1, 2003): 211–37. <https://doi.org/10.1215/08992363-15-2-211>; Taussig, Michael. *Shamanism, Colonialism, and the Wild Man: A Study in Terror and Healing*. Nachdr. Chicago: Univ. of Chicago Press, 2004; Peebles, Gustav. “The Anthropology of Credit and Debt.” Edited by D Brenneis and PT Ellison. *Annual Review of Anthropology* 39 (2010): 225–40; Peebles, Gustav. “Washing Away the Sins of Debt: The Nineteenth-Century Eradication of the Debtors’ Prison.” *Comparative Studies in Society and History* 55, no. 03 (July 2013): 701–24. <https://doi.org/10.1017/S0010417513000297>; Graeber, David. *Debt: The First 5,000 Years*. Updated and expanded ed. Brooklyn, NY: Melville House, 2014.

<sup>16</sup> See Reinhart, Carmen M., and Kenneth S. Rogoff. *This Time Is Different: Eight Centuries of Financial Folly*. 13. printing and 1. paperback printing. Princeton: Princeton Univ. Press, 2011; Reinhart, Carmen, and Kenneth Rogoff. “A Decade of Debt.” Cambridge, MA: National Bureau of Economic Research, February 2011. <http://www.nber.org/papers/w16827.pdf>; Ferguson, Niall. *The Ascent of Money: A*

on debt tend to divide between Marxist and Nietzschean orientations, though several (including myself) blur this line. Marxist approaches tend to downplay the specificity of debt in favor of finance and the dynamics of capital more generally; they also tend to downplay debt's role in shaping the views and self-conceptions of economic actors themselves.<sup>17</sup> Nietzschean approaches tend to emphasize debt's relation to morality and subjectivity, while neglecting to address the historically specific practices and technologies essential to debt's operations in social, political and financial institutions.<sup>18</sup> Furthermore, while the data on contemporary levels of indebtedness show significant racial disparities,<sup>19</sup> there are vanishingly few studies in political science that address the

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*Financial History of the World*. New York: Penguin Press, 2008; Blyth, Mark. *Austerity: The History of a Dangerous Idea*. Oxford ; New York: Oxford University Press, 2015; and Dyson, Kenneth. *States, Debt, and Power: "Saints" and "Sinners" in European History and Integration*. Oxford: Oxford Univ. Press, 2014.

<sup>17</sup> See for instance Martin, Randy. *Financialization of Daily Life*. Philadelphia, Pa: Temple Univ. Press, 2002; Martin, Randy. *An Empire of Indifference: American War and the Financial Logic of Risk Management*. Social Text Books. Durham: Duke University Press, 2007; Bryan, D., R. Martin, and M. Rafferty. "Financialization and Marx: Giving Labor and Capital a Financial Makeover." *Review of Radical Political Economics* 41, no. Perelman, Michael. *The Invention of Capitalism: Classical Political Economy and the Secret History of Primitive Accumulation*. Durham, N.C: Duke University Press, 2000; Harvey, David. *A Brief History of Neoliberalism*. Reprinted. Oxford: Oxford Univ. Press, 2011; Harvey, David. *The Enigma of Capital: And the Crises of Capitalism*. Pbk. ed. Oxford ; New York: Oxford University Press, 2011; Arrighi, Giovanni. *The Long Twentieth Century: Money, Power, and the Origins of Our Times*. "New and updated ed." -- Cover. London ; New York: Verso, 2010; Hackworth, Jason R. *The Neoliberal City: Governance, Ideology, and Development in American Urbanism*. 1. printing. Ithaca, NY: Cornell Univ. Press, 2007; and Ascher, Ivan. *Portfolio Society: On the Capitalist Mode of Prediction*. New York: Zone Books, 2016.

<sup>18</sup> Most prominent among the recent Nietzschean theorists writing on debt is Maurizio Lazzarato, for whom Marx remains a persistent influence and interlocutor, yet takes a back seat to Nietzsche in Lazzarato's work on debt. Lazzarato, M., and Joshua David Jordan. *The Making of the Indebted Man: An Essay on the Neoliberal Condition*. Semiotext(e) Intervention Series 13. Los Angeles, CA: Semiotext(e), 2012; Lazzarato, M. (Maurizio), Joshua David Jordan, and M. Lazzarato. *Governing by Debt*. Semiotext(e) Intervention Series 17. South Pasadena, CA: Semiotext(e), 2015. See also Deleuze, Gilles. *Nietzsche and Philosophy*. European Perspectives. New York, NY: Columbia Univ. Press, 1983; Deleuze, Gilles, and Félix Guattari. *Anti-Oedipus: Capitalism and Schizophrenia*. Minneapolis: Univ. of Minnesota Press, 1994; Goede, Marieke de. *Virtue, Fortune and Faith: A Genealogy of Finance*. Borderlines 24. Minneapolis, Minn.: Univ. of Minnesota Press, 2005; Mitropoulos, Angela. *Contract & Contagion: From Biopolitics to Oikonomia*. Brooklyn, N.Y: Minor Compositions, 2012; Joseph, Miranda. *Debt to Society: Accounting for Life under Capitalism*. Minneapolis: University of Minnesota Press, 2014; Bissonnette, J. F. "Resisting the Discipline of Debt: The Unfulfilled Radicalism of the 2012 Quebec Student Strike." *Theory & Event*, vol. 18 no. 3, 2015. *Project MUSE*, muse.jhu.edu/article/586145.

<sup>19</sup> See "The Complex Story of American Debt: Liabilities in Family Balance Sheets." The Pew Charitable Trusts, July 2015. <http://www.pewtrusts.org/en/research-and-analysis/reports/2015/07/the-complex-story->

racial politics of debt.<sup>20</sup> Consequently, we lack scholarly accounts that are able to adequately theorize debt's functioning and political effects in contemporary society.

*The Color of Creditworthiness* is a full-length study in political theory that addresses this sizable gap in the literature concerning both the historical and contemporary politics of debt and race. Moreover, this dissertation is one of the first systematic attempts to theorize the interlacing moral, economic and political dimensions of credit and debt in their rhetorical, material, and racialized deployments in the United States and the greater Atlantic world from the period of early capitalism to the present. It addresses the practices of debt and race together by demonstrating how debt functions as an asymmetrical power relationship that forms and governs racialized subjects based on evaluations of creditworthiness. I hope to illustrate that assemblages of credit and debt as well as creditor-debtor relations offer an exciting, underappreciated and exceedingly timely area of research for political theorists and social scientists who seek to better understand the intersections of religion, race, liberalism, capitalism, and democracy –

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[of-american-debt](http://www.pewsocialtrends.org/2011/07/26/wealth-gaps-rise-to-record-highs-between-whites-blacks-hispanics/), and “Twenty-to-one: Wealth Gaps Rise to Record Highs between Whites, Blacks, and Hispanics.” Pew Research Center, Social and Demographic Trends, July 26, 2011.

<http://www.pewsocialtrends.org/2011/07/26/wealth-gaps-rise-to-record-highs-between-whites-blacks-hispanics/>

<sup>20</sup> A notable exception who I will draw on extensively is historian, sociologist and political scientist W. E. B. Du Bois. See Du Bois, W. E. B., David W Blight, and Robert Gooding-Williams. *The Souls of Black Folk*. Boston: Bedford Books, 1997, and Du Bois, W. E. B. *Black Reconstruction In America: An Essay Toward a History of the Part Which Black Folk Played In the Attempt to Reconstruct Democracy In America, 1860-1880*. New York: Russell & Russell, 1962. More recent scholarship outside of the political science discipline that does engage the subjects of race and debt together includes Hartman, Saidiya V. *Scenes of Subjection: Terror, Slavery, and Self-Making in Nineteenth Century America*. Race and American Culture. New York, NY: Oxford Univ. Press, 1997; Nguyen, Mimi Thi. *The Gift of Freedom: War, Debt, and Other Refugee Passages*. Next Wave: New Directions in Women's Studies. Durham: Duke University Press, 2012; Hyman, Louis. *Debtor Nation: The History of America in Red Ink*. 3. printing, and 1. paperback print. Politics and Society in Twentieth-Century America. Princeton, NJ: Princeton Univ. Press, 2013; Harney, Stefano, and Fred Moten. *The Undercommons: Fugitive Planning & Black Study*. Wivenhoe: Minor Compositions, 2013; Joseph, Miranda. *Debt to Society: Accounting for Life under Capitalism*. Minneapolis: University of Minnesota Press, 2014; and McClanahan, Annie, *Dead Pledges: Debt, Crisis, and Twenty-First-Century Culture*. Stanford, California: Stanford University Press, 2017.

issues whose imbrications have recently begun to garner serious attention in the field of political theory as a whole.

In this study, I focus on how the ideas, practices, and institutions associated with creditworthiness, indebtedness and racial identity complicate, challenge and enrich our understanding of moral responsibility, capitalist economies, and the democratic ideals of freedom, equality, and pluralism. My intention, in Michel Foucault's terminology, is to "problematize" debt from the perspective of the present moment.<sup>21</sup> In so doing, I am influenced by the method of genealogy instigated by Nietzsche and put into practice by Foucault and his students in an effort to see debt "with new eyes" and to render strange this subject that we are confronted with on a daily basis.<sup>22</sup> Thus, I find it necessary to disregard disciplinary boundaries that would portray credit/debt as a phenomenon whose different aspects could be understood in separation from each other, with its technical or economic aspects to be studied by economists, its public and governmental aspects to be understood by political scientists, and its "moral" or "cultural" dimensions to be properly understood by philosophers, theologians, or anthropologists. As Georges Dumézil argues, in "young fields of study" it is imperative to:

make use of all the material that offers itself, no matter which particular disciplines share it for the moment, and without subjecting it to arbitrary categorizations of one's own; to examine what is given at length, with all its obvious facts, which are often less than facts, and also its mirages, which are sometimes more than mirages...<sup>23</sup>

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<sup>21</sup> See Foucault, Michel, Paul Rabinow, and James D. Faubion. *The Essential Works of Foucault, 1954-1984*. New York: New Press, 1997, 312.

<sup>22</sup> Nietzsche, Friedrich. *On the Genealogy of Morality*, 8.

<sup>23</sup> Dumézil, Georges. *Mitra-Varuna: An Essay On Two Indo-European Representations of Sovereignty*. New York: Zone Books, 1988, 11.



Attempting to adhere to this advice, I do my best to follow the networks that compose and animate debt wherever they lead, charting religious, racial, economic, technological and political aspects of creditor-debtor relations and showing how they intersect and function together simultaneously.

As we will see, debt is a curiously promiscuous subject whose historical, material, and conceptual plasticity implicates it in multiple zones of contemporary cultural, economic, and political life. For my part, having grown up in the 1990s and 2000s—an era of easy and ubiquitous credit—I was motivated to study political economy in graduate school after witnessing the 2008 financial crisis firsthand working for the New York Attorney General’s Office in a bureau charged with investigating the financial services industry. Somewhat ironically, I completed my study of the politics of debt on “borrowed time,” deferring payment of my student loans from my undergraduate degree to make ends meet as I analyzed the intricacies of a system in which education and indebtedness had become almost synonymous.

Consequently, my desire to study and comprehend debt is more than purely academic. It stems from a gnawing curiosity which Foucault might describe as the drive to discover that which “enables one to get free of oneself.”<sup>24</sup> I wondered: if who we are in the very fiber of our being—our consciousness of our own identities and who we feel we ought to be as subjects—is imbricated with ideas, practices, and feelings of creditworthiness and indebtedness, might an altered or transformed understanding of credit and debt allow us not only to get free of debt in a material/economic sense, but to get free of our own indebted selves? Indeed, how might we readjust the ways in which

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<sup>24</sup> Foucault, Michel, *The Use of Pleasure: Volume 2 of the History of Sexuality*. New York: Vintage Books, 1990, 8.

we think about debt to gain insight into the actual forces and elements that compose it, and, ultimately, to transform the often cruel and life-negating ways in which debt takes hold of our bodies and minds?

I set out here to reexamine, in broad theoretical terms, the moral, economic, and political work performed by the nexus of credit and debt at crucial inflection points in the history of capitalism in Europe and the Americas. Reevaluating debt in this manner involved taking a series of questions being asked quietly and in isolation by authors scattered across a number of disciplines, drawing them together, and presenting them with the volume turned up. The big questions (or puzzles if you like) guiding the chapters of this dissertation are summarized as follows:

- How have religious and moralistic understandings of credit and debt shaped the rise of capitalism, and why is it that the morality of debt has become so deeply and persistently engrained in the ethos of capitalism?
- What is the relation between colonialism, slavery, indebtedness and the formation of racial divisions in the United States, both past and present?
- How do racialized economies of debt articulate with liberal and neoliberal political philosophies and practices of government?
- How do conceptions and practices related to creditworthiness and indebtedness intersect with both the ideals and realities of American democracy?

Ultimately, my aim is to make the case that reimagining credit and debt is a serious, legitimate, and pressing scholarly and political concern, and that confronting the dominant conceptual framework of debt shaping our world will be an important and

necessary step toward achieving a more just, egalitarian, and pluralistic democratic society.

In more concrete terms, this dissertation argues that in Europe, the United States and the greater colonial world from the period of early capitalism to the present, debt has served as a central rhetorical and material nexus for producing asymmetrical power relationships between subjects figured as creditors or debtors through techniques for evaluating creditworthiness in varying combinations of moral, racial, economic, and political terms. In proposing to view the creditor-debtor relation as the primary power relation underpinning capitalist society and liberal democracy, I challenge a foundational assumption in liberal political theory and neoclassical economics that views exchange between contracting citizens or free-market actors as axiomatic. By contrast, I argue that capitalism and liberal democracy are founded on asymmetrical power relations between creditor subjects who enjoy the political privilege of citizenship, the racial privilege of whiteness, and the economic privilege of creditworthiness and debtor subjects who find themselves in the subordinated position of being non-citizens, non-whites, and without credit.

Chapter 1, “Debt, Subjectivity, and the Emergence of Capitalism,” sets the stage for this argument by putting Nietzsche and Max Weber into conversation to illustrate how religiously derived and morally imbued notions of indebtedness and creditworthiness contributed to producing the dominant model of the rational economic subject during the rise of early capitalism. Here I explore four key elements that intertwine in the creditor-debtor relation: power, suffering, morality and subjectivity. I do so first by analyzing Nietzsche’s account of credit and debt in *On the Genealogy of*

*Morality*. I argue that Nietzsche provides a “dramatization” of credit and debt that poses a challenge to politically hegemonic and culturally entrenched assumptions that present voluntary exchange between rational subjects as the fundamental relationship of the contemporary social order. I also show how Nietzsche theorizes debt as constitutive of the type of morality that shapes and makes intelligible the model of the subject: *homo oeconomicus*. Second, I bring Nietzsche’s account into conversation with Max Weber’s discussions of subject formation and credit in *The Protestant Ethic and the ‘Spirit’ of Capitalism* and other texts. Weber allows us to align Nietzsche’s genealogy more explicitly with debt’s role in the emergence of capitalism. To take Weber seriously is to reckon with evidence that *homo oeconomicus* as the dominant subjective figure framing our understanding of human conduct did not emerge out of nowhere, but instead was the result of the beliefs and practices of Protestant religious sects who sought to maintain an appearance of creditworthiness among their members as a sign of their chosen status.

Chapter 2, “Indebted Servitude and the Afterlife of Slavery in America,” draws on the work of Karl Marx, Michel Foucault, W. E. B. Du Bois, and Saidiya Hartman to place the genealogy of debt sketched in chapter one into a colonial frame. The rise of debt as a technology of political, moral, and economic accountability and control occurred at the inflection point between proto-capitalist political economies premised on chattel slavery and the development of a modern industrial capitalism operating, at least on its face, via free exchange and free labor. In this chapter, I explore how race and debt functioned together as crucial political technologies through which the postbellum liberal capitalist regime was able to discipline and dispossess free blacks in the Reconstruction-era American South. I move beyond disclosing the bad faith inherent in the ideal of freedom

and liberation by articulating the ways in which debt provided a moral and economic armature to maintain power relations of servitude under the auspices of freedom. To do so, I look to Du Bois and Hartman whose work draws from both Marx and Foucault, but expands beyond traditional Marxist and Foucauldian limits by seeking to more fully account for the predominant roles that colonialism, chattel slavery, and racism played and continue to play in capitalist political economy and liberal governmentality. Finally, this chapter explores how an ascendant liberal governmentality maintained and justified processes of accumulation by dispossession and forced labor by rhetorically and materially deploying credit and debt in a way that intertwined the imputed racial characteristics of blackness with the moral stigma and material bonds of indebtedness.

Chapter 3, “Neoliberal Governmentality and Indebted Control,” takes up Gilles Deleuze’s discussion of debt and control in his essay “Postscript on the Societies of Control,” as well as recent critical works on debt by Maurizio Lazzarato and Annie McClanahan. I argue that the contemporary debt economy, and credit scoring in particular, constitute a techno-political infrastructure of control in the United States today. First, I explicate the contours of neoliberal governmentality and argue that credit and debt and the power relations between creditors and debtors are at the center of its operations. Second, I focus on how practices of credit scoring have changed with the advent of debt securitization and the quantitative revolution in economics, leading to a model of “control by risk” rather than “control by screening.” Third, the chapter addresses a significant gap in the literature on both neoliberalism and debt by highlighting how processes of racial formation and structural racism persist through the highly quantified and “colorblind” market rationalities and purportedly objective modes

of accounting now employed in the debt economy. I contend in this chapter that debt constitutes a relatively unacknowledged infrastructure of control which, alongside mass incarceration and a carceral education system, maintains conditions of class inequality, white supremacy and “subprime” status for people of color in contemporary America.

Finally, chapter 4, “Toward the Abolition of Indebted Democracy,” explicates the ways in which political technologies of debt working within neoliberal governmentality and racial capitalism are eroding fundamental democratic values, institutions, modes of citizenship and forms of struggle. I argue that indebted control constitutes a dire threat to what has always been an imperfect and unfinished project of democracy in America. To support this claim, the first part of the chapter offers a critique of Wendy Brown’s recent book *Undoing the Demos* in which she argues that neoliberalism poses a dire threat to democracy as we know it. I argue that, in failing to address the geo-temporal specificity of American neoliberalism and the living history of American democracy, Brown’s political vision misses both the centrality of debt to the antidemocratic neoliberal project, and the continuity between liberal and neoliberal democracies as “white democracies” founded on and operating via the supremacy of the white citizen. In order to provide a more robust conception of democracy than that provided by Brown, I turn to the work of William Connolly on pluralization, as well as to the work of theorists in the black radical tradition including W. E. B. Du Bois, James Baldwin, Christina Sharpe, and Joel Olson.

In the second part of the chapter, I examine the intersection of citizenship, whiteness, and credit using the work of W. E. B. Du Bois and Joel Olson. I argue that American democracy is corrupted by the tyrannical power of the self-anointed “white” race; a power by which whites enjoy an *a priori* line of credit—what I will call *white*

*credit*—whiteness as a presupposed badge of moral rectitude, economic creditworthiness and full political citizenship, which is predicated on maintaining the degraded, indebted, and inferior status of people of color. I trace the ways in which white credit racially divides the democratic polity – from the Southern strategy of Richard Nixon and Ronald Reagan to the Presidency of Donald Trump. In part three, I show how the slow time of democratic erosion periodically gives way to the emergency temporality of the debt crisis, in which the rule of the demos is suspended to make way for a unilateral executive power to reinstate conditions of market activity and capital accumulation. I do so through a sustained analysis of the practice of installing emergency managers to take over control of insolvent cities and school districts in the state of Michigan, with a specific focus on the Detroit bankruptcy. I hypothesize that taken together, these dynamics of the debt economy have helped to sustain the American racial project of white democracy in the post-civil rights era and have contributed to the recent resurgence of proto-fascist white nationalism and “Trumpism.” The chapter concludes the dissertation with a call for debt abolition coupled with the reimagination of both debt and democracy. I hypothesize that debt abolition could serve as one potential strategy for fomenting fugitive movements toward what Du Bois calls an “abolition-democracy:” a democratic society firmly committed to dismantling the political economy of white supremacy in all of its guises.

## 1 | Debt, Subjectivity, and the Emergence of Capitalism

*“To breed an animal which is able to make promises – is that not precisely the paradoxical task which nature has set herself with regard to humankind?”*

— Friedrich Nietzsche<sup>1</sup>

*“Time is money . . . credit is money . . . money is of the prolific, generating nature. Money can beget money, and its offspring can beget more.”*

— Benjamin Franklin<sup>2</sup>

“The Federal deficit is too high, it is unsustainable, and it is immoral to keep the country running on credit: we have to finally tighten our belts and pay it down.” This argument circulates widely today, both inside and outside of Washington, among both Republicans and Democrats. During his presidential campaign in 2016, Republican senator Ted Cruz framed the argument on his campaign website in terms of a skyrocketing “burden of debt on children born today,” with a graph showing an exponential growth in newborn indebtedness from 1970 to the present.<sup>3</sup> Cruz makes what is primarily a moral argument about public debt, insisting, “current and projected rates of government growth are unsustainable, irresponsible, and constitutionally indefensible.”<sup>4</sup> He argues that the federal debt is responsible for stifling household wealth, unemployment, slow growth, student indebtedness, and that it is “not only irresponsible, but immoral and unjust to future generations.”<sup>5</sup>

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<sup>1</sup> Nietzsche, Friedrich Wilhelm, Keith Ansell-Pearson, and Carol Diethe. *On the Genealogy of Morality*. Cambridge Texts in the History of Political Thought. New York: Cambridge University Press, 1994, 38.

<sup>2</sup> Quoted in Weber, Max, Peter Baehr, and Gordon C. Wells. *The Protestant Ethic and the “Spirit” of Capitalism and Other Writings*. Penguin Twentieth-Century Classics. New York: Penguin Books, 2002.

<sup>3</sup> Cruz, Ted. “Five for Freedom.” Ted Cruz 2016, accessed February 12, 2016, <https://www.tedcruz.org/five-for-freedom/>

<sup>4</sup> Ibid.

<sup>5</sup> Ibid.



Similarly, the non-partisan Brookings Institute issued a report targeting the 2016 presidential candidates, which also argues that reducing the Federal debt should be a top priority. Fiscal policy experts Bob Bixby and Maya MacGuineas argue that “reducing the long-term debt is in fact an economic growth plan because government debt crowds out productive investment in people, machinery, technology, and new ventures, resulting in fewer job opportunities, lower wages, and slower GDP growth.”<sup>6</sup> This argument differs from that of Cruz in that it seeks to make debt an issue of purely pragmatic and technical problem solving. As Bixby and MacGuineas put it, “It’s a matter of arithmetic, not ideology.”<sup>7</sup> These two arguments encapsulate the somewhat puzzling contemporary political terrain of credit and debt. Issues surrounding debt of all kinds, from the Federal deficit to consumer credit card debt, from Greek sovereign debt to a city’s bond payments and credit rating, are presented either as moral questions relating to debt burdens and the obligation to repay them or as technical matters of “arithmetic” relating to the often arcane mechanics of economic and financial markets – sometimes as both simultaneously.

Today, the grounds that serve as the basis for the prevalent moral evaluation of debt, nicely encapsulated in the statement “one has to pay one’s debts,” are rarely questioned.<sup>8</sup> The notion that it is immoral to not repay a debt, that one *must*, no matter the circumstances, repay a debt with interest, and that in general, one should feel guilty for being in debt, has become like second nature in the United States and many other parts of

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<sup>6</sup> Bixby, Bob and Maya MacGuineas. 2015. “Why the Federal Debt Must be a Top Priority for the 2016 Presidential Candidates.” *The Brookings Institute*.

[http://www.brookings.edu/~media/research/files/papers/2015/11/campaign-2016-ccf/bixby-macguineas\\_final.pdf](http://www.brookings.edu/~media/research/files/papers/2015/11/campaign-2016-ccf/bixby-macguineas_final.pdf)

<sup>7</sup> Ibid.

<sup>8</sup> Graeber, David. *Debt: The First 5,000 Years*. Updated and expanded ed. Brooklyn, NY: Melville House, 2014, 2.

the world. On the other hand, debt, and its more handsome and likeable twin, credit, have become ubiquitous and essential mechanisms for the functioning of modern capitalist economies. Debt in its economic and financial register, despite the frequent crises and disruptions it brings with it, is conceived of today, as Marieke de Goede puts it, as “legitimate, rational, and, above all, *natural*.”<sup>9</sup> As De Goede notes in *Virtue, Fortune, Faith: A Genealogy of Finance*, many authors in the broadly defined field of political economy “assume finance to be an autonomous sphere or system with clearly defined boundaries and take for granted the unproblematic existence of money, banknotes, credit, financial instruments, etc., as a material starting point to their inquiries.”<sup>10</sup>

While the financial crisis of 2008 and subsequent global recession sparked new critical inquiry by a range of scholars across disciplines into questions related to debt and finance, little has changed both in terms of actual financial reform and in terms of the dominant assumptions guiding political debates. Debt remains, at least among mainstream economists, political scientists and policy experts, a highly depoliticized subject, either resting comfortably in a cloak of moral certainty or fenced off behind “a logic of calculability and an appearance of scientific objectivity.”<sup>11</sup> It is my contention that both perspectives severely limit any discussion or debate about the ways in which debt structures how we think about ourselves, as well as any truly robust or strategically useful understanding of the role debt plays in the increasingly precarious variant of capitalism in which we live. If our current frames do not raise adequately political questions about economic life, then what questions should we ask to deepen our

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<sup>9</sup> Goede, Marieke de. *Virtue, Fortune and Faith: A Genealogy of Finance*. Borderlines 24. Minneapolis, Minn.: Univ. of Minnesota Press, 2005, x.

<sup>10</sup> Ibid. xxv.

<sup>11</sup> Ibid., 3.

understanding of debt? How should credit and debt be conceptualized in the post-crisis social, political, and economic conditions of early 21<sup>st</sup> century capitalism? By extension, which theoretical perspective gives us the resources to ask pertinent questions about credit and debt? Which perspective best allows us to traverse the disciplinary lines that separate economic, moral, and political questions about debt? Importantly, which perspective can lead to tactics that respond to the punitive and politically toxic effects of debt in the present?

This chapter begins my effort to address these questions and to compose a *political* theory of debt that brushes against the grain of contemporary neoliberal consensus. I will explore four crucial elements that intertwine in the creditor-debtor relation: power, suffering, morality and subjectivity. I do so first by analyzing Friedrich Nietzsche's account of credit and debt in *On the Genealogy of Morality*. Second, I bring Nietzsche's account into conversation with Max Weber's historical analysis in *The Protestant Ethic and the 'Spirt' of Capitalism* in order to focus this genealogy more explicitly on debt's role in the emergence of capitalism. In part one, I argue that Nietzsche provides a "dramatization" of credit and debt that serves as a much needed challenge to politically hegemonic and culturally entrenched assumptions that present voluntary exchange between rational subjects as the fundamental relationship underpinning the contemporary social order. I show how Nietzsche shifts the focus to present debt as an asymmetrical power relation that is constitutive of the type of morality of the subject that makes *homo oeconomicus* intelligible. In part two, I draw on Max Weber to carry this Nietzschean perspective forward into a more precise theorization of the role of debt in the rise of early capitalism in Northwestern Europe and the United

States. The chapter concludes with a discussion of the analytic purchase Nietzsche and Weber together can provide for a critical perspective on debt and subjectivity, as well as the limitations of their approach, which I address more fully in the next chapter.

## **I. Dramatizing Debt**

My core contention in this chapter is that Nietzsche presents an unfamiliar perspective on debt that allows us to grasp simultaneously its political, moral, and economic dimensions. Adopting a Nietzschean perspective in an effort to reappraise debt offers three interrelated insights. First, Nietzsche connects material practices of credit and debt—often considered in a “technical,” “economic” or “financial” register—with the emergence of a morality of individual conscience and guilt. Nietzsche contends that the creditor-debtor relation has entailed a set of techniques and practices whose effect has been to “give a memory to the animal, man.”<sup>12</sup> In other words, the moral authority underpinning the power of debt is intimately involved with techniques for taking hold of the body, marking it, subjecting it to punishments, and training it so that it has “a right to make a promise,” so that it will not forget its obligations to others and so that it may exercise its “free will.”<sup>13</sup> In short, I will argue that both the material and moral dimensions of debt contributed significantly to the emergence of the modern figure of the individual sovereign subject – subjected to discipline in order to endow her with the ability to hold herself accountable for her own actions.<sup>14</sup>

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<sup>12</sup> Nietzsche, *Genealogy of Morality*, 41.

<sup>13</sup> *Ibid.*, 40.

<sup>14</sup> As Foucault describes this modern subject in *Discipline and Punish*, “The man described for us, whom we are invited to free, is already in himself the effect of a subjection much more profound than himself. A ‘soul’ inhabits him and brings him to existence, which is itself a factor in the mastery that power exercises over the body. The soul is the effect and instrument of a political anatomy; the soul is the prison of the body.” Foucault, Michel, and Alan Sheridan. *Discipline and Punish: The Birth of the Prison*. 2. Vintage Books ed. New York, NY: Vintage Books, 1995, 30.

Second, Nietzsche represents the fundamental type of social and economic relation as an asymmetrical power relation between creditors and debtors rather than an exchange relation between formally equal subjects. As Gilles Deleuze and Félix Guattari claim in *Anti-Oedipus*: “The great book of modern ethnology is not so much Mauss’s *The Gift*<sup>15</sup> as Nietzsche’s *On the Genealogy of Morals*. . . . [it] is an attempt—and a success without equal—at interpreting primitive economy in terms of debt . . . by eliminating every consideration of exchange or interest ‘à l’anglaise.’”<sup>16</sup> For Nietzsche, the fundamental relationship lying at the heart of both monotheism and modern capitalist political economy is the relationship between creditor and debtor. Even a society that prides itself on a morally and legally binding contractual foundation and the rational pursuit of interests through “free” exchange remains entangled with unbalanced relations of force that tend toward disequilibrium and volatility. A focus on debt offers a window onto this “shadow side”<sup>17</sup> of modern capitalist society, where power asymmetries both divide and order the body politic.

Third and finally, Nietzsche’s method is to present a “dramatization” of the ways in which debt figures into the genealogy of the modern subject. In using the term “dramatization,” I mean that Nietzsche portrays and politicizes the forces and events

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<sup>15</sup> Deleuze and Guattari certainly do not seek to diminish the importance of Marcel Mauss’s work, but they take him to task for hesitating between characterizing the primary relation involved in gift economies as one of debt or exchange. He left this question open while, they argue, Lévi-Strauss closed it “with a categorical reply: debt is no more than a superstructure, a conscious form whereby the unconscious social reality of exchange is converted into cash.” Deleuze, Gilles, and Félix Guattari. *Anti-Oedipus: Capitalism and Schizophrenia*. Minneapolis: Univ. of Minnesota Press, 1994, 185. I will draw on Mauss at several point because his work indeed can be interpreted as being primarily about the ubiquity of debt relations in indigenous and Western societies.

<sup>16</sup> Deleuze, Gilles, and Félix Guattari. *Anti-Oedipus: Capitalism and Schizophrenia*. Minneapolis: Univ. of Minnesota Press, 1994, 190.

<sup>17</sup> See Atwood, Margaret. *Payback: Debt and the Shadow Side of Wealth*. CBC Massey Lectures. Toronto, ON: Anansi [u. a.], 2008.

involved in the history of debt, morality and subjectivity in order to raise subliminal thoughts and critical judgments slumbering in that relation to a more active level. As Deleuze puts it, dramatization, if one is able to “dispense with all the Christian and dialectical pathos” that taints the word “drama,” is a way of sharpening the history of the particular will, the forces and the ways of being that contributed to the genesis of a particular object, action, feeling, or thought.<sup>18</sup> For Nietzsche, thinking genealogically about phenomena like “debt,” “morality,” “reason,” or “the subject” means wading into a tumultuous “field of entangled and confused parchments,” a world in which “documents . . . have been scratched over and recopied many times.”<sup>19</sup> A Nietzschean perspective insists that history does not proceed either by teleological progression or dialectical contradiction; rather it is figured by the perpetual drama of competing forces whose battles are inscribed on things and bodies, doubling them and giving them depth as objects of knowledge and forms of subjectivity.<sup>20</sup> Nietzsche’s dramatization of debt then— and in this it is like all other accounts—remains an act of *interpretation*. Deleuze calls dramatization “the only method adequate to Nietzsche’s project.”<sup>21</sup> This makes sense when we recall that according to Nietzsche: “the world is knowable; but it is *interpretable* otherwise, it has no meaning behind it, but countless meanings.”<sup>22</sup>

In what follows, I articulate Nietzsche’s dramatization of debt and morality in order to provide a jumping off point for the further genealogical analysis of the role debt

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<sup>18</sup> Deleuze, Gilles. *Nietzsche and Philosophy*. European Perspectives. New York, NY: Columbia Univ. Press, 1983, 78.

<sup>19</sup> Foucault, Michel, and Paul Rabinow. “Nietzsche, Genealogy, History.” *The Foucault Reader*. 1st ed. New York: Pantheon Books, 1984, 76.

<sup>20</sup> Ibid.

<sup>21</sup> Deleuze, *Nietzsche and Philosophy*, 79.

<sup>22</sup> Nietzsche, Friedrich Wilhelm, Walter Arnold Kaufmann, and R. J. Hollingdale. *The Will to Power*. Vintage Books ed. New York: Vintage Books, 1968, 267.

has played in the emergence of a political and economic “spirit” of capitalism. While Nietzsche engages the theme of credit and debt in the most direct manner in the second essay of *On the Genealogy of Morality*, and this is where most theorists have turned in referencing Nietzsche on debt,<sup>23</sup> I will begin with a statement from *Twilight of the Idols*. Remarking on those who have attempted to “make” morality and “improve” mankind, Nietzsche offers the formula: “every means hitherto employed with the intention of making mankind moral has been thoroughly *immoral*.”<sup>24</sup> In pursuing the origins of morality, Nietzsche asks *how* morality or virtue are “made to dominate.”<sup>25</sup> What he discovers and dramatizes vividly in the *Genealogy*, is that the basis for morality, rather than residing in some metaphysically ideal or universal realm, is very much a thing of *this* world. “Knowledge works as a tool of power,” Nietzsche declares, and he considers morality to be, in some sense, the ultimate form of knowledge: the knowledge that separates right from wrong, good from bad.<sup>26</sup> The successful institutionalization of a set of virtues in an asymmetrical world requires all the tactics needed to dominate – the same means required for every victory: “force, lies, slander, injustice.”<sup>27</sup> That is, the same moral obligations that bind debtors to creditors gain their force by means that most would

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<sup>23</sup> See Deleuze, Gilles. *Nietzsche and Philosophy*. European Perspectives. New York, NY: Columbia Univ. Press, 1983; Deleuze, Gilles, and Félix Guattari. *Anti-Oedipus: Capitalism and Schizophrenia*. Minneapolis: Univ. of Minnesota Press, 1994; Roitman, J. “Unsanctioned Wealth; Or, The Productivity of Debt in Northern Cameroon.” *Public Culture* 15, no. 2 (April 1, 2003): 211–37. <https://doi.org/10.1215/08992363-15-2-211>; Goede, Marieke de. *Virtue, Fortune and Faith: A Genealogy of Finance*. Borderlines 24. Minneapolis, Minn.: Univ. of Minnesota Press, 2005; Lazzarato, M., and Joshua David Jordan. *The Making of the Indebted Man: An Essay on the Neoliberal Condition*. Semiotext(e) Intervention Series 13. Los Angeles, CA: Semiotext(e), 2012; Graeber, David. *Debt: The First 5,000 Years*. Updated and expanded ed. Brooklyn, NY: Melville House, 2014; and Joseph, Miranda. *Debt to Society: Accounting for Life under Capitalism*. Minneapolis: University of Minnesota Press, 2014.

<sup>24</sup> Nietzsche, Friedrich Wilhelm, R. J. Hollingdale, Michael Tanner, and Friedrich Wilhelm Nietzsche. *Twilight of the Idols: And, The Anti-Christ*. Penguin Classics. London ;New York, N.Y: Penguin Books, 1990, 69-70.

<sup>25</sup> Nietzsche, *Genealogy of Morality*, 5.

<sup>26</sup> Nietzsche, *The Will to Power*, 266.

<sup>27</sup> *Ibid.*, 171.

denounce as “immoral.”<sup>28</sup> Nietzsche suggests that this has been the case throughout history, evident in early and non-western societies, throughout the great organized religions of Hinduism, Judaism, and Christianity, underpinning the Kantian categorical imperative (which he suggests “smells of cruelty”) and the utilitarian moral psychology of his own 19<sup>th</sup> century, which he implies had “a secret, malicious, mean instinct to belittle man.”<sup>29</sup>

I refer to these statements to emphasize both the imbrication of an ethos of debt with power and to turn our attention to Nietzsche’s insistent focus on the body as the site upon which the ethos is “inscribed.” His motto: “Belief in the body is more fundamental than belief in the soul.”<sup>30</sup> Nietzsche insists on studying every “thou shalt” from a physiological as well as philosophical standpoint, rather than repeating what he deems to be the great error of philosophy, exemplified by one of his greatest adversaries, Immanuel Kant, who attempts to derive the limits of knowledge and morality from apodictic judgments and the deductive use of reason, abstracted from historical or bodily conditions.<sup>31</sup> Nietzsche counters by arguing that the faith Kant and others have placed in the validity of deductive logical evaluation is just that—a *faith*—a moral phenomenon that Kant was not willing to subject to criticism.<sup>32</sup> Nietzsche suggests that the subterranean task of Kant’s critical philosophy was to insulate the moral presuppositions that he held dear from the mortal danger posed by the critical use of reason, a danger that

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<sup>28</sup> Ibid.

<sup>29</sup> Nietzsche, *Twilight of the Idols*, 69-70, and *On the Genealogy of Morality*, 11, 45.

<sup>30</sup> Nietzsche, *The Will to Power*, 271.

<sup>31</sup> Nietzsche, Friedrich, Maudemarie Clark, and R. J. Hollingdale. *Daybreak: Thoughts on the Prejudices of Morality*. Cambridge Texts in the History of Philosophy. Cambridge: Cambridge Univ. Press, 1997, 3.

<sup>32</sup> Ibid., 4.



Kant understood only too well.<sup>33</sup> The task Nietzsche sets himself, by contrast, is to surpass Kant by examining the bodily practices by which an ethos of indebtedness is established.

Nietzsche argues that this ethos involves obedience to custom, which he defines as the “traditional way of behaving and evaluating.”<sup>34</sup> For a moral imperative or law to command the obedience of a body or group of bodies, a range of preconditions must be in place; a whole set of battles must have been won in advance, a whole drama must have unfolded. It is the history of these battles, this drama, and the conditions they put in place that Nietzsche writes in the *Genealogy*. These preconditions constitute the basis for the lived sense of responsibility and the ability or “right” to make promises and to keep them regardless of radical changes in circumstances. As we will see, these conditions consist of a set of rules, taboos, prescriptions, punishments, marks, rituals, symbols, sacrifices, habits, and routines that become the techniques for directing the endless unconscious struggle between forces in play within and between us. In effect, these techniques constitute an enormous “labour of man on himself” to produce consciousness, to engender an active desire to not let go, to hold onto events from the past, and, importantly, to combat the similarly powerful human capacity to forget.<sup>35</sup>

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<sup>33</sup> Ibid., 3. See also Connolly, William E. *The Fragility of Things: Self-Organizing Processes, Neoliberal Fantasies, and Democratic Activism*. Durham, NC: Duke Univ. Press, 2013, Chapter 3: “Shock Therapy, Dramatization, and Practical Wisdom.”

<sup>34</sup> Nietzsche, *Daybreak*, 10.

<sup>35</sup> Nietzsche discusses the importance of an active faculty of forgetting at the beginning of the second essay of the *Genealogy*. Nietzsche argues that an active ability to forget is of the utmost importance because it acts “like a doorkeeper or guardian of mental order, rest and etiquette” protecting the human organism from the chaos that would ensue if we were conscious of all our internal processes all the time or if we were unable to stop dwelling in the vast accumulation of past experiences while simultaneously trying to focus on the present moment. Nietzsche sees the power to forget as essential to the health and strength of an animal, because without it there would be no “happiness, cheerfulness, hope, pride, [or] immediacy.” Nietzsche, *Genealogy of Morality*, 38-9. See also Nietzsche, Friedrich Wilhelm, and R. J. Hollingdale. “On the Uses and Disadvantages of History for Life.” *Untimely Meditations*. Cambridge: Cambridge University Press, 1997.

To anticipate, Nietzsche himself will call for positive alternatives to the processes studied here. But for now it is important to see that consciousness, reflective action, purposiveness, a notion of self and responsibility are not innate human characteristics for Nietzsche; they are the result of a long, ongoing process of formation – what he considers to be the activity of culture. As Gilles Deleuze explains in *Nietzsche and Philosophy*, “This consciousness which is defined by the fugitive character of excitations, this consciousness which is itself based on the faculty of forgetting must be given a consistency and a firmness which it does not have on its own. Culture endows consciousness with a new faculty which is apparently opposed to the faculty of forgetting: memory.”<sup>36</sup> This memory, Deleuze remarks, is not only a trace of the past, but also “a function of the future . . . the faculty of promising, commitment to the future, memory of the future itself.”<sup>37</sup>

This is the moment at which the curtain goes up on credit and debt. Indeed, not only Nietzsche, but anthropologists and economists agree that the crucial defining feature of the dyad “credit/debt,” is its ability to “link the present to the past and the future.”<sup>38</sup> Max Weber, from whom we will hear more soon, defines credit in its most general sense as “any exchange of goods initially possessed for the promise of a future transfer of disposal over utilities, no matter what they may be.”<sup>39</sup> His definition suggests that for a creditor-debtor relation to come about, some conditions must already be in place so that the probability is good that “this future transfer of disposal will actually take place.”<sup>40</sup>

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<sup>36</sup> Deleuze, *Nietzsche and Philosophy*, 134.

<sup>37</sup> Ibid.

<sup>38</sup> Peebles, Gustav. “The Anthropology of Credit and Debt.” Edited by D Brenneis and PT Ellison. *Annual Review of Anthropology* 39 (2010): 225–40.

<sup>39</sup> Weber, Max, A. M Henderson, and Talcott Parsons. *Max Weber: The Theory of Social and Economic Organization*. Mansfield Centre, CT: Martino Publishing, 2012, 180.

<sup>40</sup> Ibid.

However, this fairly abstract formulation does not specify what these conditions are. If the power of credit/debt resides in its ability to conjoin the respective futures and pasts of creditor and debtor, to “materialize their temporal bond” thus giving it an “immensely powerful capacity to construct and destroy community borders or build social hierarchy” then we must investigate, in further detail, the asymmetrical conditions and bodily techniques by which debt maintains its moral suasion over the body.<sup>41</sup>

Nietzsche offers a response to this question in the *Genealogy*, which includes an interrogation of the specific conditions under which bodies, memory, credit and debt become sutured together. Nietzsche places the creditor-debtor relationship at heart of the activity by which culture produces “man”: “an animal which is able to make promises.”<sup>42</sup> He seeks to explain the power relationship by which the extension of credit by one party—be it a favor, money, a privilege, hospitality, a pleasurable act, a useful tool or something else—becomes etched in the memory of both parties in the form of a promise to repay it in the future. Nietzsche takes as his point of departure the fact that “the main moral concept ‘*Schuld*’ (‘guilt’) descends from the very material concept of ‘*Schulden*’ (‘debts’).”<sup>43</sup> Moreover, the English verb “shall” as in “Thou shalt” or “I shall”—signifying a promise being made—can also be traced back etymologically to the Old English “*scyld*” and German “*schuld*,” which reinforces the notion that the ability to promise has its origins in material practices of debt.<sup>44</sup>

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<sup>41</sup> Peebles (2010).

<sup>42</sup> Nietzsche, *Genealogy of Morality*, 38.

<sup>43</sup> Ibid., 43.

<sup>44</sup> “Shall (v).” *Online Etymology Dictionary*. <https://www.etymonline.com/word/shall>

On the other side of this relation is the word “credit,” which traces back to the Latin “*credere*,” signifying “belief, faith, and trust.”<sup>45</sup> According to Marieke De Goede, “*credere*” is also “indistinguishable from one’s personal reputation or status as worthy of being believed.”<sup>46</sup> Credit, thus, can be traced back to that quality or status of the one who could be counted on to remember, to keep promises, and to repay debts.

Thus, the question becomes: how do you give memory to a dull, inattentive and whimsically forgetful human animal? Put differently, how do you fashion a creditworthy subject trustworthy enough to become indebted to you? According to Nietzsche, and as I will continue to illustrate in the chapters that follow, it is *not* by gentle solutions and methods. To make a memory, one must inflict pain on the body because pain, says Nietzsche, is “the most powerful aid to mnemonics.”<sup>47</sup> We paid the price for becoming animals endowed with the power to remember in blood and tears. “[P]erhaps there is nothing more terrible and strange in man’s pre-history,” Nietzsche remarks, “than his *technique of mnemonics*.”<sup>48</sup> Breaking a promise, an oath, a covenant, a pledge, or a pact arouses superstition and dread, even today, precisely because a promise had to be seared into the flesh; it had to be tattooed onto the body; it required “blood, torments and sacrifices”; it required potentially disfiguring mutilations.<sup>49</sup> In short, inscribing a memory *into* the body involved a whole range of techniques and tactics, what philosopher Maurizio Lazzarato calls a “mnemotechnics” of cruelty and pain.<sup>50</sup> Nietzsche adds to this list of administered tortures a set of “procedures and lifestyles” called “asceticism”

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<sup>45</sup> De Goede, *Virtue, Fortune, and Faith*, 6.

<sup>46</sup> Ibid.

<sup>47</sup> Nietzsche, *Genealogy of Morality*, 41.

<sup>48</sup> Ibid.

<sup>49</sup> Ibid.

<sup>50</sup> Lazzarato, *The Making of the Indebted Man*, 40-1.

through which one trains and disciplines one's own body in order to free a few central ideas from competition with others, in order to make them ubiquitous, unforgettable, and fixed in the memory.<sup>51</sup>

The central and unforgettable moral idea that Nietzsche connects to these bloody “mnemotechnics” is the notion that every offence must be paid for by an *equivalent* pain inflicted on the body of whomever committed it: the “guilty” party.<sup>52</sup> Nietzsche argues that this notion of a responsible, obligated, and guilty party emerged from the relation between creditor and debtor.<sup>53</sup> It was precisely in the relation between creditor and debtor that promises were made and projected into the future. For the debtor, the responsibility for repayment was etched into his conscience by the threat of having to pawn something dear to him if he failed to pay: “his body, or his wife, or his freedom, or his life (or, in certain religious circumstances, even his after-life, the salvation of his soul, finally, even his peace in the grave.”<sup>54</sup> Nietzsche is also keen to highlight that, in the event that the debtor failed to pay, the creditor could also inflict dishonor and torture on his body, giving the example, popularized by Shakespeare's *The Merchant of Venice*, of “cutting as much flesh off as seemed appropriate for the debt.”<sup>55</sup> Therefore, the mnemotechnic

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<sup>51</sup> Nietzsche, *Genealogy of Morality*, 41.

<sup>52</sup> Ibid., 43.

<sup>53</sup> Ibid.

<sup>54</sup> Ibid., 44.

<sup>55</sup> Ibid. Nietzsche makes reference here to the Roman code of the Twelve Tables. It seems likely that he may have taken liberties with this point and been overly inspired by the story of Shylock taking a pound of flesh as payment for a debt in Shakespeare's *The Merchant of Venice*. The primary penalties for non-repayment of a debt at the time of the Twelve Tables in Rome, around 450 B.C.E., were imprisonment and slavery. However, the line Nietzsche picks up on, from the Third Table is: “On the third market day let them divide his body among them. If they cut more or less than each one's share it shall be no crime.” See *The Twelve Tables*. Internet History Sourcebook. <http://legacy.fordham.edu/halsall/ancient/12tables.asp>. While this code remains enigmatic as to what exactly it means to divide up the body of the debtor, Nietzsche's line about inflicting torture is not without evidence.

punishments for an insolvent debtor involved the seizing of his body, his family's bodies, or even body parts as collateral payment for the debt.

Here we note that while Nietzsche situates these practices in a somewhat vacuous “pre-history,” with a single reference to the Roman code of the Twelve Tables, these practices, in a variety of forms, did indeed exist and persisted at least from the 4<sup>th</sup> Century B.C.E. to the mid-19<sup>th</sup> Century. Selling debtors into slavery or committing them to years of indentured servitude were widespread practices in Europe, its colonies, and Africa at least up to the end of the Atlantic slave trade.<sup>56</sup> And we also find historical examples of communities branding debtors' bodies, pillorying debtors in the public square with an iron collar, and finally the ubiquitous practice of incarcerating debtors between the late 18<sup>th</sup> and early 19<sup>th</sup> centuries.<sup>57</sup> Furthermore, as I will elaborate in the chapters that follow, forms of indebted servitude targeting former slaves and communities of color were reorganized and redeployed after the abolition of slavery in former European colonies including the United States. This legacy of racialized indebted servitude persists to this day.

Returning to the matter at hand, the case of memory and compensation for the creditor is a bit more complicated. One might think—especially from a contemporary perspective in which a financial elite sits on top of the social hierarchy—that the creditor

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<sup>56</sup> Graeber, *Debt: The First 5,000 Years*, 350.

<sup>57</sup> See Peebles, Gustav. “Washing Away the Sins of Debt: The Nineteenth-Century Eradication of the Debtors' Prison.” *Comparative Studies in Society and History* 55, no. 03 (July 2013): 701–24. It seems likely that Nietzsche had this more contemporary history in mind when he was writing the *Genealogy*. This is evidenced in a characteristically enigmatic statement where Nietzsche suggests that he is “measuring with the standard of pre-history (a pre-history which, by the way, exists at all times or could possibly re-occur).” Hence, it seems evident that Nietzsche doesn't locate his account of credit and debt in a prehistoric past which is dead and gone, but in a living, becoming history that in some sense “exists at all times” actualizing itself just as much in the heart of “modernity” as it does in ancient times. See Nietzsche, *Genealogy of Morality*, 50.

Nietzsche describes comes from the aristocratic nobility he praises in the first essay of the *Genealogy*. However, Nietzsche describes this aristocratic type as “a powerful physicality, a blossoming, rich, even effervescent good health [...] unable to take his enemies, his misfortunes and even his *misdeeds* seriously for long . . . a power which is flexible, formative, healing and *can make one forget* [my emphasis].”<sup>58</sup> It seems as though these nobles were endowed with a “faculty of forgetting,” and would be prone to overlook a sum lent to a friend or even an enemy. If this noble did remember the loan, it seems more than likely that she would simply treat it as a gift given out of a feeling of superabundance and spirit of generosity – an evocative display of prestige and power.

Nietzsche’s descriptions of the morality of the powerful calls to mind several ethnographic accounts presented in Marcel Mauss’s classic anthropological study *The Gift*. For instance, Mauss says of the Andaman islanders of the Indian Ocean: “Each man and woman tried to outdo the others in generosity. There was a sort of amiable rivalry as to who could give away the greatest number of most valuable presents.”<sup>59</sup> Similarly, among the Kwakiutl, Tlingit and Haida tribes of the Pacific Northwest in America, the “potlach” system of gifts was one of “constant give-and-take,” which functioned very much like a credit system wherein “the prestige of an individual [is] closely bound up with expenditure, and with the duty of returning with interest gifts received in such a way that the creditor becomes the debtor.”<sup>60</sup> Mauss describes this as an “aristocratic type of commerce characterized by etiquette and generosity,” which “when it is carried out in a

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<sup>58</sup> Nietzsche, *Genealogy of Morality*, 18, 24.

<sup>59</sup> Mauss, Marcel. *The Gift: Forms and Functions of Exchange in Archaic Societies*. The Norton Library N378. New York: Norton, 1967, 18.

<sup>60</sup> *Ibid.*, 35.

different spirit, for immediate gain . . . is viewed with the greatest disdain.”<sup>61</sup> In this type of gift/credit system, one was obliged to repay a gift out of respect and friendship and/or out of a desire to maintain one’s honor and status by returning the gift with an even greater and more magnificent gift.<sup>62</sup> The primary ethos in play here seems to be one of generosity and competitiveness.

Hence, we can say that in the *Genealogy*, Nietzsche dramatizes the distinction between this “chivalric-aristocratic” morality whose debt relations are infused with a spirit of generosity and a different type of “priestly” or “slave morality” whose debt relations are infused with a more punitive spirit of revenge.<sup>63</sup> The former works by means that Nietzsche calls the “morality of culture.” This “morality of culture” certainly involves modes of training and correction. But they tend to be based on a collective logic amongst a group of relative equals, rather than through relations of asymmetrical responsibility. As Nietzsche points out, for much of human history, any actions that were done for reasons of personal utility or gain, or that fell outside of the clear boundaries set by custom and traditional modes of hierarchy would be considered suspicious and immoral by the group.<sup>64</sup>

While the giving of gifts, the extension of credit, and the obligation to pay debts were essential elements of the social order in these societies—Mauss emphatically states that “a gift necessarily implies the notion of credit” and that all of the so called “archaic” societies he describes were well aware of credit—it generally involved a relation between

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<sup>61</sup> Ibid., 36.

<sup>62</sup> Ibid., 40-1.

<sup>63</sup> Ibid., 18.

<sup>64</sup> Nietzsche, *Daybreak*, 10-11.



clans, or between a member of a tribe and all the other members.<sup>65</sup> Mauss argues that in non-Western societies, and in the West before the rise of capitalism, groups and not individuals were the ones that exchanged gifts, made promises, and were bound by debts to each other.<sup>66</sup> As Nietzsche says, the supposedly violent, barbarous and “uncivilized” men who were the objects of priestly hatred, were “strongly held in check by custom, respect, habit, gratitude and even more through spying on one another through peer-group jealousy.”<sup>67</sup> It was only when engaged in warfare, raiding and pillaging that they acted with the cruelty of “wild beasts.”<sup>68</sup>

Political economist Karl Polanyi reinforces this point in *The Great Transformation*, suggesting that if Adam Smith and his followers had actually consulted anthropological research, they would have realized that “man’s economy, as a rule, is submerged in his social relationships,” and that in traditional societies up to the end of feudalism, individuals’ economic interests rarely took precedence.<sup>69</sup> It was, by contrast, the maintenance of social ties to the community— through codes of honor and generosity—that mattered most, almost to the point of making “any other behavior than that of utter self-forgetfulness simply not pay.”<sup>70</sup>

How did this collective “morality of culture” involving an aristocratic culture of mutual indebtedness within a stratum shift to a punitive morality based on an

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<sup>65</sup> Mauss, *The Gift*, 35.

<sup>66</sup> Ibid., 3.

<sup>67</sup> Nietzsche, *Genealogy of Morality*, 24-5.

<sup>68</sup> Ibid., 25.

<sup>69</sup> Polanyi, Karl, Joseph E. Stiglitz, and Fred Block. 2010. *The Great Transformation: The Political and Economic Origins of Our Time*. 2. Beacon paperback ed., [reprinted]. Boston, Mass: Beacon Press, 47-8.

<sup>70</sup> Ibid., 48-9. In referencing Mauss and Polanyi here I do not intend to endorse feudal ideals or romanticize communal or moral economies. These arrangements of economy and society had their own elements of violence, cruelty, and the like. However, I do wish to insist that these cultures were not “backwards” and do not conform to the self-serving image of them presented in the origin stories of neoclassical economics.

individualized responsibility for debt? Today, at least in the capitalist West, we tend to think of creditors as among the most powerful and elite members of society. But in Nietzsche's dramatization the creditor is portrayed as someone with means enough to extend credit who is of a lower social status than the aristocratic nobles. In this creditor we can recognize the forbearer of the entrepreneur, an upwardly mobile member of the lower ranks seeking to propagate his type by means other than strength, by way of a "priestly" morality.<sup>71</sup> Nietzsche says the logic of the creditor's compensation is "strange enough" because this compensation takes the form of "pleasure" received from inflicting pain, from "the enjoyment of violating" and from the ability to "exercise power over the powerless without a thought."<sup>72</sup> Nietzsche suggests that this newfound power to inflict pain on the debtor would be "prized all the higher, the lower and baser the position of the creditor in the social scale" allowing him a taste of what it must be like to sit higher up on the totem pole, to be able to exercise power "without a thought."<sup>73</sup> In this sense, it is the creditor, more than the debtor, whom Nietzsche portrays as the figure of reaction and "*ressentiment*"; a member of the lower ranks who is eager and now able, through his position as creditor, to "take part in the *rights of the master*," to share in "the elevated feeling of despising and maltreating someone as an 'inferior'" or at least to witness the debtor humiliated and in pain at the hands of the authorities.<sup>74</sup>

Nietzsche argues that it is this association between pain and compensation deriving from the sadistic relationship between creditor and debtor that gets "measured"

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<sup>71</sup> Ibid., 18-9.

<sup>72</sup> Ibid., 44.

<sup>73</sup> Ibid., 44-5.

<sup>74</sup> Ibid.

and codified in the legal sphere.<sup>75</sup> The codification, legalization, and normalization of physical punishment that consists in causing suffering on the part of an *individual*, Nietzsche argues, should be traced back to the creditor-debtor relationship where the injured creditor receives the debtor's suffering as compensation for a debt that cannot be repaid by other means.<sup>76</sup> Here it is important to point out that causing suffering is not just a general way to take revenge on someone who breaks a promise. Nietzsche explicitly rejects this notion. It is specifically the pleasure derived from cruelty—"pleasure in its highest form"—a pleasure naively enjoyed without shame or bad conscience, a pleasure which was even more enjoyable to creditors of lower rank and social position because it allowed them to *feel* powerful, that served to redeem the debt. Thus, it is this nexus of debt, suffering and pleasure that becomes the "breeding-ground of the moral conceptual world of 'guilt', 'conscience', 'duty', 'sacred duty'"; it is here that the ideas of guilt and suffering become inextricably crocheted together.<sup>77</sup>

How exactly did this occur? Nietzsche argues that it was through this relation of creditor to debtor—which began to function in the mode of an individualized promise and individualized punishment—that man was transformed from a "beast of prey" into a "tame and civilized animal, a household pet."<sup>78</sup> Primarily on the side of the initial agreement between creditor and debtor, Nietzsche sees this taming effect as resulting from the fact that in making this agreement, "person met person for the first time, and *measured himself* person against person."<sup>79</sup> A creditor-debtor relationship between

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<sup>75</sup> Ibid.

<sup>76</sup> Ibid., 45.

<sup>77</sup> Ibid.

<sup>78</sup> Ibid., 26.

<sup>79</sup> Ibid., 49.

individuals rather than groups and relying on individual trustworthiness would have to involve a new form of evaluation that was not simply prescribed in advance by custom. It would have to measure and compare person to person by examining individual qualities, setting prices and working out equivalent forms of punishment in the case that one's calculations were wrong. Nietzsche sees here the origin both of the scientific notion of "objectivity" and the moral conception of justice which proclaims: "Every thing has its price: *everything* can be compensated for."<sup>80</sup> The key point to keep in mind is that the creditor, holding a power advantage, had the largest role in deciding what amount of collateral was needed to secure the loan. Thus a price was set, an equivalence fabricated, by and through an asymmetrical power relation between creditor and debtor.

On the side of the debtor, the one evaluated and punished if she or he didn't "measure up," Nietzsche argues that the primary effect was not to make him "better," but to sharpen his intelligence, lengthen his memory, make him more cautious, more calculating, less trusting, increasing the impetus for him to master his desires and turn them inward, to improve his powers of self-assessment and self-denial.<sup>81</sup> It follows that Nietzsche sees the creditor-debtor relation as involved simultaneously in the birth of "man" as "the calculating animal as such"<sup>82</sup> and as bringing about the "*internalization of man*."<sup>83</sup> A society in which the values of the creditor become dominant is one in which the human animal develops a "bad conscience" that preempts the need for external coercion by turning his unpredictable, wild, and violent instincts inward, creating "from

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<sup>80</sup> Ibid., 50.

<sup>81</sup> Ibid., 60.

<sup>82</sup> Nietzsche, *Genealogy of Morality*, 49. The idea that man is a "calculating animal" is attributed to Jeremy Bentham, and, in some sense, we can understand Nietzsche to be critiquing his utilitarian conception of punishment as a rational form of compensation to society for the crime of breaking the social contract. See "Criminology." *New World Encyclopedia*. <http://www.newworldencyclopedia.org/entry/Criminology>

<sup>83</sup> Nietzsche, *Genealogy of Morality*, 61.

within himself . . . a torture-chamber.”<sup>84</sup> Here we can see clearly the two processes targeted by Nietzsche’s critique that much later crystallize together in the dyad of creditor-debtor: the development of a capitalist social formation in which the calculating type of subject dominates, and with it, the deployment of an ascetic morality of punishment, denial, and guilt through the Protestant Reformation. It is here that we reach the point where Nietzsche’s *Genealogy* links up with the concerns of Max Weber’s *The Protestant Ethic and the ‘Spirit’ of Capitalism*. Thus, I turn to Weber to carry the genealogy of debt further and show how relations of credit/debt, in both moral and material form, shaped the figure we associate most with the political economy of capitalism: *homo oeconomicus*.

## II. Debt and the “Spirit” of Capitalism

Weber and Nietzsche share a similar desire to grasp how the variegated moral, political, and economic phenomena we associate with modern life in the “monstrous cosmos” of capitalism could have emerged from a vastly different social order.<sup>85</sup> Like Nietzsche, Weber concerns himself with how capitalist subjects were created and trained. He is not satisfied with what he considers to be “naïve historical materialism” that explains subjective attitudes and “ideas” as a “superstructure” that is derivative of the material economic “base.”<sup>86</sup> Instead, Weber’s hypothesis is that the type of conduct and attitudes toward life and work that have become embedded in the fabric of capitalist society had to first “emerge victorious over others” as a dominant “style of life” practiced

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<sup>84</sup> Ibid., 60-2.

<sup>85</sup> Weber, Max, Peter Baehr, and Gordon C. Wells. *The Protestant Ethic and the “Spirit” of Capitalism and Other Writings*. Penguin Twentieth-Century Classics. New York: Penguin Books, 2002, 13.

<sup>86</sup> Ibid.

among groups and individuals before capitalism became fully institutionalized.<sup>87</sup> Weber insists that the “rational” pursuit of economic interests, often presumed to be a universal characteristic of human behavior by economists and social scientists, had to *become* rational; *homo oeconomicus* as the dominant subjective figure guiding human conduct did not simply “blossom like a flower” as new technologies and innovations industrialized European and American societies’ modes of production and increased their capital reserves.<sup>88</sup> Instead, *homo oeconomicus*, as the subjective representation *par excellence* of the “spirit of capitalism” made a violent entry on the scene and had to compete in a “hard struggle against a world of hostile forces,” in particular, the aristocratic type of culture and morality described by Nietzsche in the *Genealogy*, dubbed “traditionalism” by Weber.<sup>89</sup> Here Nietzsche’s argument about power relations that produced “equivalences” is translated into a larger process by which capitalist subjectivities are produced.

Weber’s argument, which dovetails with that of Nietzsche, looks to the power of religious beliefs and the practical ethics they inspire—specifically Protestant movements and their particular brand of “worldly asceticism”—to explain the emergence and spread of this “economic” self-understanding of human activity.<sup>90</sup> However, it is important to note that Weber states emphatically that he does not seek to “replace a one-sided ‘materialist’ explanation of culture and history with a ‘spiritual one.’”<sup>91</sup> Rather he, like Nietzsche, is concerned with the imbrication of the material and the moral, with the

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<sup>87</sup> Ibid., 13-4, 262.

<sup>88</sup> Ibid., 14, 117.

<sup>89</sup> Ibid., 14-5.

<sup>90</sup> Weber, Max, Talcott Parsons, and Anthony Giddens. *The Protestant Ethic and the Spirit of Capitalism*. London ; New York: Routledge, 1992, 180.

<sup>91</sup> Weber, *Protestant Ethic* (2002 ed.), 122.

intersection of the ethical and the economic, and specifically with how Calvinism and its Protestant off-shoots—replete with codes of conduct and disciplinary techniques—worked in tandem “with numerous other forces” to produce capitalism.<sup>92</sup> For the purposes of this chapter, the goal is to remain in conversation with Nietzsche while foregrounding spiritual-material ways in which credit and debt influenced the formation of *homo oeconomicus* during the emergence of industrial capitalism chronicled by Weber.<sup>93</sup> By paying close attention to three interrelated processes of subject formation identified by Nietzsche—the “internalization of man,” the artificial production of equivalences, and the formation of the human into a “calculating animal”—we can trace the ways in which each emerged in the disciplinary process through which Northern Europeans and Americans were constituted as creditors and debtors.

To some extent, the period of history that concerns both Nietzsche and Weber—the period from the 16<sup>th</sup> to the 19<sup>th</sup> centuries that encompasses the Protestant Reformation, the Enlightenment, the French and American Revolutions and the birth of industrial capitalism—can be characterized as a great emancipation from dogmatism and a struggle for intellectual, religious, and political freedom. Politically and religiously there was a call for *freedom* both for the citizen and the believer; to these were joined the prerogatives of the *free* trader and *free* laborer, voluntarily entering into contractual relations *at will*.<sup>94</sup>

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<sup>92</sup> Ibid., 262.

<sup>93</sup> I am engaged in a genealogy and dramatization of debt and subjectivity in order to better understand and draw attention to the politics of debt today. While I am interested in the history of credit, debt, and capitalism, I do not attempt to make definitive causal claims about the origins of capitalism, which I am happy to leave to others.

<sup>94</sup> I recognize that this is also the period of the colonization of the Americas, the genocide committed against indigenous peoples, and the institutionalization of the Atlantic slave trade and racialized chattel slavery in Europe’s colonies. These practices coexisted with the soaring rhetoric of freedom, enlightenment, the rights of man, and the triumph of liberty over tyranny, and the progress of civilization

However, if we focus on shifts in the nexus of credit and debt in this period, a slightly different image comes into view. This freedom from the power of the king or the tyrant, from the ecclesiastical power of the Roman Catholic Church, was itself predicated on subtle, yet powerful forms of discipline and internal control that were intimately tied to the moral promise between creditor and debtor. As Lazzarato argues, debt is a mechanism for the production and “government” of a specific type of subject: the dark side of the rational and calculating *homo oeconomicus*, which he calls the “indebted man” or “*homo debitor*.”<sup>95</sup> According to Lazzarato, the power of debt resides in its ability to exercise power without explicit recourse to repression or ideology: the debtor is free to conduct herself as she wishes, as long as she remains compliant with the norms of conduct conducive to repayment.<sup>96</sup> If she acts irresponsibly, if she remains idle, if she spends too freely, she has herself to blame for her inability to repay.

Lazzarato associates this form of indebted subjectivity with the contemporary political and economic conditions associated with neoliberalism. While I agree that this assessment pertains to the ubiquitous role debt plays today in political and economic life at the individual and collective levels, the relation between debt and subjectivity has a much longer history within capitalism than Lazzarato emphasizes in *The Making of the Indebted Man*.<sup>97</sup> If we consider briefly the ways in which a feeling of indebtedness was

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characteristic of humanism, classical liberalism and other schools of European Enlightenment thought. Conceptions of creditworthiness and indebtedness, as well technologies and financial arrangements of credit fueled and facilitated European colonial conquest, slave economies, and ideologies of white supremacy. I hold off on addressing these pressing concerns here in favor of setting the stage for their full consideration in the following chapter.

<sup>95</sup> Lazzarato, *The Making of the Indebted Man*, 29.

<sup>96</sup> Ibid., 31.

<sup>97</sup> I grant that Lazzarato has important polemical reasons for overstating the degree to which contemporary neoliberal political rationality is connected to the rise of indebtedness and the subjective figure of the “indebted man.” I find Lazzarato’s arguments about the importance of debt and credit under neoliberalism to be convincing as will be demonstrated in the third chapter. However, I believe that drawing attention to



internalized and perpetuated by the Protestant sects and transformed into an ethos of diligent work in a calling, this argument should become clear.

To begin, the “spirit” of capitalism, identified by Weber in its crystallized form in the writings of Benjamin Franklin, is not synonymous with greed, avarice, or self-interest in its “eudaemonistic,” hedonist or self-serving incarnation.<sup>98</sup> What is particular about the “spirit” of capitalism is that the pursuit of profit and accumulation of wealth becomes an end in itself that is “coupled with a strict avoidance of all uninhibited enjoyment.”<sup>99</sup> In other words, Weber asks how it was that a “traditionalist” ethic—in which one either worked to have enough and to get by in the accustomed manner, or practiced “avarice”—was overturned in favor of a capitalistic ethos in which work and wealth became ends in themselves, that is, in which “avarice” became transfigured into a new kind of activity.<sup>100</sup>

What is crucial here is the question of the mode of discipline required for a subject to become “diligent.” Diligence is irreducible to either avarice or traditional work. To be “diligent” a person must be “[c]onstant in application, persevering in endeavor” and certainly “not idle, not negligent, [and] not lazy.”<sup>101</sup> As Weber remarks, “Capitalism has as little use for the undisciplined ‘liberum arbitrium’ type of worker, as it has for the businessman who is simply unscrupulous in his outward conduct.”<sup>102</sup> He argues that the entrepreneurs who attempted to extract surplus value from workers by instituting “piecework,” appealing to the notion of a preexisting instinct for acquisitiveness or

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the longer genealogy of debt that extends back to the rise of capitalism and even earlier provides a firmer analytical foundation from which to understand and critique the contemporary neoliberal political and economic terrain.

<sup>98</sup> Weber, *Protestant Ethic* (2002 ed.), 12.

<sup>99</sup> Ibid.

<sup>100</sup> Ibid., 12, 15-6.

<sup>101</sup> *Oxford English Dictionary*, s. v. “diligent, adj. and adv.” accessed February 2, 2016, <http://www.oed.com/view/Entry/52787?rskey=awQ9QH&result=1&isAdvanced=false#eid>

<sup>102</sup> Weber, *Protestant Ethic* (2002 ed.), 15.

interest in maximizing profit, met with serious resistance and much failure.<sup>103</sup> While a large surplus population and low wages were very important factors in the development of large-scale industrial production, Weber insists that we must also account for the important qualitative shifts in the attitudes and conduct of both the laborer and the entrepreneur. What became indispensable was “a well developed sense of responsibility . . . along with a general attitude which . . . does not continually seek ways of earning the usual wage with the maximum ease and the minimum effort, but performs the work as though it were an absolute *end in itself*—a ‘calling.’”<sup>104</sup> Weber insists that this attitude could not be induced by wages alone. It had “to be the product of a long, slow ‘process of education.’”<sup>105</sup> Weber’s research associates this type of education with the “innerworldly asceticism” taught by Calvinism and its Protestant descendants including the Methodists, Pietists, Baptists, Puritans, and Quakers.<sup>106</sup>

Could it be that this “process of education” is the same as the one described in Nietzsche’s genealogy of the creditor-debtor relationship? This development of conscientiousness on the part of the Protestant worker corresponds rather well to Nietzsche’s discussions of “mnemotechnics,” the formation of “bad conscience” and its transfiguration into Christian guilt. Nietzsche argues in the *Genealogy* that the debt relations that held together tribal communities included a relationship of indebtedness to the ancestors that required collective forms of repayment through sacrifices and acts of obedience.<sup>107</sup> As classical societies grew in strength and power, so did this feeling of

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<sup>103</sup> Ibid., 16-7.

<sup>104</sup> Ibid., 17.

<sup>105</sup> Ibid.

<sup>106</sup> Ibid., 67.

<sup>107</sup> Nietzsche, *Genealogy of Morality*, 65.

indebtedness to the founders such that it became a source of dread and fear that, Nietzsche suggests, eventually transfigured the ancestors into something obscure, mysterious and transcendent: gods.<sup>108</sup> Such a process, he says, reached its culmination with Christianity, a state/monotheistic organization of society in which “the Christian God as the maximal god yet achieved . . . also brought about the appearance of the greatest feeling of guilt on earth.”<sup>109</sup> In this account, the violent mnemotechnic practices associated with memory and debt became “moralized” and turned inwards against the self when the conditions of state monopoly on violence and the Christian doctrine of “brotherly love” forbade outward expressions of cruelty.<sup>110</sup>

The historical events through which the feeling of guilt and dread associated with great indebtedness became internalized in the individuals and groups responsible for the birth of capitalism need to be explored here in greater detail with help from Weber. However, one thing that emerges in Nietzsche’s dramatization is the idea that the direction of debt between the community of Christians and their ancestors was altered. As God the “creditor” morphed into a singular transcendent deity distinct from the earth-bound ancestors, the ancestors themselves became burdened with a debt: “original sin.”<sup>111</sup> As the story goes, Adam and Eve failed to respect the gift they had been offered by God; they gave in to their passions and broke their promise not to eat the forbidden fruit, transforming what had been a gift relation into a relation of infinite debt whereby humanity must perpetually repay God for its sin. What Nietzsche finds insidious about this version of Christianity with respect to the feeling of “*schuld*” (debt/guilt) is what he

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<sup>108</sup> Ibid.

<sup>109</sup> Ibid., 66.

<sup>110</sup> Ibid., 61-3.

<sup>111</sup> Ibid., 68.

refers to as “Christianity’s stroke of genius”—the crucifixion of Christ—“God sacrificing himself for man’s guilt, none other than God paying himself back, God as the only one able to redeem man.”<sup>112</sup> Christianity succeeded in transfiguring an injunction to give thanks to the gods through regular material sacrifices into an infinite debt that is only redeemable through God’s grace. Moreover, this infinite debt becomes internalized and generalized with the foreclosure of any possibility for a “once-and-for-all payment.”<sup>113</sup> In the hands of Christianity’s adept “ascetic priests,” the self-torture of bad conscience “grows wide and deep,” developing “its most horrific hardness and sharpness.”<sup>114</sup>

The question then becomes: how specifically did this sense of infinite debt and bad conscience work its way into the minds and bodies of enough Northern Europeans to spark the widespread transformation of values essential for the emergence of capitalism? The answer, for Weber, begins with Martin Luther and his emphasis on the “fulfillment of innerworldly duties” arising from one’s “station in life,”<sup>115</sup> as well as his ambiguous position on the Deuteronomic prohibition on usury and the taking of interest.<sup>116</sup> However, it is the arrival of the doctrine and practices of Calvinism that Weber views as the most crucially important event shaping the modern capitalist form of subjectivity. Weber, like Nietzsche, concentrates on “the effects of the subjective appropriation of ascetic religiosity on the conduct of the individual” and the ways in which Calvinism worked at the affective level to channel “the psychological *drives* [*Antriebe*] which led people to behave in a certain way and held them firmly in this path.”<sup>117</sup> In some sense, we can say

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<sup>112</sup> Ibid., 68.

<sup>113</sup> Ibid.

<sup>114</sup> Ibid.

<sup>115</sup> Weber, *Protestant Ethic* (2002 ed.), 29.

<sup>116</sup> Nelson, Benjamin. *The Idea of Usury: From Tribal Brotherhood to Universal Otherhood*. Princeton: Princeton University Press, 1949, 35.

<sup>117</sup> Weber, *Protestant Ethic* (2002 ed.), 69.

that Weber, like Nietzsche, “dramatizes” Calvinism and the forms of “innerworldly asceticism” it induced in its adherents. Weber composes an image of its “ideal type” by condensing the geographical and temporal variations and off-shoots of Calvinism—Puritanism, Methodism, Presbyterianism, etc.—into their “most logically consistent form” in order to focus attention on Calvinism’s general form and effects.<sup>118</sup>

The element of Calvinist doctrine that serves as the crux of Weber’s analysis is the dogma of “election by grace” or “predestination.”<sup>119</sup> Weber quotes from the Westminster Confession of 1647 for an elaboration of this fateful set of beliefs: “Man, by his fall into a state of sin, hath wholly lost all ability of will to any spiritual good accompanying salvation.”<sup>120</sup> According to Calvin, God predestined some to everlasting life, while he chose to “pass by” the majority, ordaining them to dishonor and wrath for their sin as an example of his “glorious justice.”<sup>121</sup> Calvin was trained as a jurist, and the logic of his arguments for predestination became stricter and sharper over time as he refined them in the course of polemical arguments with his opponents.<sup>122</sup> In brief, Calvin followed in the path blazed by Augustine and his followers, arguing that religious redemption results only through the grace of a wholly “objective power” and has nothing to do with the believer’s merit; grace is an unexpected and unimaginable “gift,” not an exchange or *quid pro quo*.<sup>123</sup> God does not exist for man’s sake; man exists to glorify God. Only an “elect” few were chosen for this purpose, to reflect the glory of divine

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<sup>118</sup> Ibid.

<sup>119</sup> Ibid.

<sup>120</sup> Ibid., 70.

<sup>121</sup> Ibid., 71.

<sup>122</sup> Ibid., 72.

<sup>123</sup> Ibid.

justice, while the rest were condemned to eternal death.<sup>124</sup> To put it succinctly, all are guilty, most damned, a few saved.

This religious outlook resonates with Nietzsche's account of the infinite debt in early Christianity. Humanity exists in a state of deep indebtedness, i.e. sin, with absolutely no way to "will" its way back to solvency and salvation. In its purest form, the doctrine of predestination suggests that the great creditor, God, may grant mercy to some of his indebted creatures as part of a spectacular display of the glory and effervescence of God's power, but the greater part of humanity is born submerged in debt—"underwater" so to speak—with no way to swim to the surface on its own. Calvin also preempts the question of Christ's martyrdom wherein one might argue that Christ died for our sins "out of love for the debtor"<sup>125</sup> (for the moment setting aside Nietzsche's cynical interpretation), by making it clear that Christ only sacrificed himself for the benefit of the elect.<sup>126</sup>

As Weber tells it, belief in Calvinism's rhetoric of intractable guilt and uncertain grace unleashed powerful drives of fear, anxiety, despair and a "tremendous inner loneliness" for individual Calvinists.<sup>127</sup> On the paramount question in the lives of Reformation Christians, the Calvinist was "obliged to tread his path alone."<sup>128</sup> The cascading effects of the "inner loneliness" and self-abnegation caused by predestination included a turn away from the joys of cultural life, sensual and emotional experience, and the values of friendship and community, in favor of a "pessimistic individualism."<sup>129</sup>

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<sup>124</sup> Ibid.

<sup>125</sup> Nietzsche, *Genealogy of Morality*, 68.

<sup>126</sup> Weber, *Protestant Ethic* (2002 ed.), 74.

<sup>127</sup> Ibid., 73.

<sup>128</sup> Ibid.

<sup>129</sup> Ibid., 74.

Calvinism preached distrust of Churches, institutions and friends. The deepest community was to be found “in the secrets of a solitary heart.”<sup>130</sup> Therefore, in Calvinism, we find a powerful mechanism through which the burden of existential debt was placed squarely and singularly on the individual shoulders of men and women of faith. While the idea of existential debt as sin and its affective power originated well before Calvin or the Reformation, Calvinist theology served to pressurize and intensify it in the echo chamber of the Christian conscience.

If the Christian sheep was now in a state of fearful and anxious paralysis as she considered her fate in the beyond, what of the shepherd? Here Nietzsche’s analysis of the “ascetic priest” in the *Genealogy* becomes pertinent to understanding Calvin as a catalyzing figure between the Reformation and the revolutionary rise of modern capitalism. Calvin, the one who crafted and instituted the doctrine of predestination and accelerated feelings of doubt, terror, and uncertainty in his flock, apparently considered himself to be an “instrument” of God’s will.<sup>131</sup> He felt no doubt about the fact that he was one of the “elect.”<sup>132</sup> In this respect, Calvin exhibits many of the features of the “ascetic priest”:

The ascetic priest must count as predestined saviour, shepherd and defender of the sick herd in our eyes: only then do we understand his immensely historic mission. *Rule over the suffering* is his domain, his instinct directs him towards it and his own special skill, mastery and brand of happiness are to be had in it. He must be sick himself . . . but he has to be strong, too, more master of himself than of others, actually unscathed in his will to power, so that he has the trust and fear of the sick and can be their support, defence, prop, compulsion, disciplinarian, tyrant, God.<sup>133</sup>

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<sup>130</sup> Ibid., 73n76.

<sup>131</sup> Ibid., 76.

<sup>132</sup> Ibid.

<sup>133</sup> Nietzsche, *Genealogy of Morality*, 98.

Following in the path of Augustine, it is arguable that Calvin's theological conversion, his break with the Catholic Church, and his view of God as largely indifferent to the plight of the greater part of humanity caused him severe internal suffering and torment. However, he was strong-willed enough to master these torments, to become an emissary of the great creditor himself, and by doing so, he was able to install himself as a spiritual authority in his own right.

Calvin's transformative message is that the majority of people are sick, sinful, irredeemable and damned. "He brings ointments and balms with him, of course; but first he has to wound so that he can be the doctor."<sup>134</sup> A Nietzschean reading of Calvin suggests that Calvin wounded through his insistent arguments on behalf of predestination. He intensified feelings of terror, throwing "the human soul out of joint, plunging it into terrors, frosts, fires and raptures," figuring fellow Christians as insolvent debtors, and goading them to break themselves "on the cruel wheel of a restless and morbidly lustful conscience."<sup>135</sup> He cut off traditional communal models of mutual aid and institutionalized forgiveness in both a spiritual and material sense. In sum, Calvin helped bring into being a darker more painful birth of the individual than that recorded in celebratory accounts of the rise of Enlightenment thinking by creating an atmosphere that spread "the most extreme fear, the agony of the tortured heart, the paroxysms of unknown happiness, the cry for 'redemption.'"<sup>136</sup>

What ointment did Calvinists provide to ease the spiritual suffering they unleashed? They insisted that despite the fundamental uncertainty of grace, congregants

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<sup>134</sup> Ibid.

<sup>135</sup> Ibid., 109-111.

<sup>136</sup> Ibid., 111.



had a duty to consider themselves elect, and, crucially, while they could not *earn* salvation, they could search for *signs* of it. “[T]ireless labor in a calling was . . . the best possible means of attaining this self-assurance.”<sup>137</sup> Tireless labor in carrying out one’s worldly duties, conducting oneself with diligence and forethought, working with efficiency and an ascetic zeal, this type of conduct was not a means of obtaining salvation, but it was an indispensable sign of one’s state of grace.<sup>138</sup> One’s faith had to be tested in an “objective” and material sense, as a sign in this world, of one’s salvation in the next.<sup>139</sup> The Calvinist was not directed toward humbleness, self-mortification, or charity as a means of salvation; she was enjoined to self-assurance, self-help, to create her own “*certitudo salutis*.”<sup>140</sup>

In the case of Calvinism, the ascetic priest channels the pathos of the tormented individual backwards toward the self, ridding it of “all small and petty forms of lethargy, apathy and depression.”<sup>141</sup> It then spurs it towards “self-discipline, self-surveillance, and self-overcoming.”<sup>142</sup> This self-control, this disciplined conduct was no longer, then, the prerogative of a spiritual aristocracy of monks in the monastery, as it had been in the Catholic forms of monastic asceticism.<sup>143</sup> It was advanced as a governing maxim of the spiritual lives of ordinary people, the “ethos” by which they would pursue their secular occupations. The Calvinist mantra became: “God helps those who help themselves.”<sup>144</sup> To have the slightest chance of at least keeping up with the interest on the infinite

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<sup>137</sup> Weber, *Protestant Ethic* (2002 ed.), 77-8.

<sup>138</sup> *Ibid.*, 79.

<sup>139</sup> *Ibid.*, 78.

<sup>140</sup> *Ibid.*, 79.

<sup>141</sup> Nietzsche, *Genealogy of Morality*, 100.

<sup>142</sup> *Ibid.*

<sup>143</sup> Weber, *Protestant Ethic* (2002 ed.), 82-3.

<sup>144</sup> *Ibid.*, 79.

existential debt one had accumulated, and in order to reassure oneself and convince others that, in death, this debt would be redeemed, the Calvinist had to take responsibility for herself and become vigilantly focused on conducting herself in the image of the dutiful laborer perpetually contributing to the glory of God on earth.<sup>145</sup> Even as the distinction between merit and sign began to slip in later versions of Calvinism, the focus on disciplined economic activity in a calling was retained. One was systematically impelled to produce oneself as a creditworthy subject.

### III. The Making of the Creditworthy Subject

At this point in the genealogy of *homo oeconomicus*, the story of *homo debitor* (the indebted subject) becomes more tightly glued to the story of what we might call “*homo fidelis*” – the subject worthy of trust and credit. We have seen how the subjective internalization of debt in Calvinism instigates a form of *askesis* through which the subject must fashion herself in a way that will be “appraised” as elect and worthy by her Protestant peers. We have seen how Calvinist doctrine engendered powerful negative affects in its congregants through doctrinal and rhetorical means. What remains to be more fully explained is how these affects were funneled into the diligent pursuit of work, entrepreneurial activities and the “economic” institutions of credit and debt in capitalism. The “productive” power of the credit/debt dyad<sup>146</sup> goes beyond punishment and

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<sup>145</sup> Ibid.. 114-5.

<sup>146</sup> Here I refer to Michel Foucault’s conception of power as “productive.” As Foucault argues in *Discipline and Punish*: “We must cease once and for all to describe the effects of power in negative terms: it ‘excludes’, it ‘represses’, it ‘censors’, it ‘abstracts’, it ‘masks’, it ‘conceals’. In fact, power produces; it produces reality; it produces domains of objects and rituals of truth. The individual and the knowledge that may be gained of him belong to this production.” Foucault, Michel, and Alan Sheridan. *Discipline and Punish: The Birth of the Prison*. 2. Vintage Books ed. New York, NY: Vintage Books, 1995, 194.

repression to create and train subjects, to take a careful hold of the body in order to guide it and to shape the *quality* of its conduct, intensifying its capacities and improving its efficiency.

The genealogy of credit and debt that we have traced so far from Nietzsche to Weber runs parallel to Michel Foucault’s “genealogy of the modern ‘soul’” and articulation of “disciplinary” power in *Discipline and Punish*.<sup>147</sup> Foucault’s question there revolved around a shift from the spectacular but imprecise and inefficient juridical power of the sovereign that largely treated its subjects “wholesale,” as if they were an “indissociable unity,” and a new mode of power, developing between the 18<sup>th</sup> and 19<sup>th</sup> centuries, that was able to work the body “retail,” singling out the individual and “exercising upon it a subtle coercion . . . obtaining holds upon it at the level of the mechanism itself – movements, gestures, attitudes, rapidity: an infinitesimal power over the active body.”<sup>148</sup> This was the meticulous power of “disciplines” developed in a range of institutions—from the military encampment to the hospital to the prison to the factory—that concentrated the *object* of power upon the individual body, the *modality* of power toward a constant coercion and supervision of activity.<sup>149</sup> The task of these meticulous practices was to produce the norms obedience and utility, and to identify those classes and aspects of regularized selves in need of more ruthless practices of correction, exclusion or confinement.

While Foucault focuses on shifts in the discourses and practices of punishment from the 16<sup>th</sup> to the 19<sup>th</sup> centuries in Europe and the United States, such shifts in the

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<sup>147</sup> Foucault, Michel, and Alan Sheridan. 1995. *Discipline and Punish: The Birth of the Prison*. 2. Vintage Books ed. New York, NY: Vintage Books, 29.

<sup>148</sup> Ibid., 136-7.

<sup>149</sup> Ibid., 137.

economy of power can also be traced in the intersecting modes of religious and economic asceticism associated with “creditworthiness.” They, too, contributed to refashioning the human subject into *homo oeconomicus* the “calculating animal.” The human is not a “calculating animal” by nature, and the origins of “calculation, measure, evaluation, comparison, and accounting” are not found in exchange relations of equivalence. They are lodged in asymmetrical debtor-creditor relations.<sup>150</sup> As Deleuze and Guattari argue, there is no reason to postulate exchange as the basis for pre-capitalist or capitalist society: “society is not first of all a milieu for exchange where the essential would be to circulate or to cause to circulate, but rather a socius of inscription where the essential thing is to mark and be marked. There is circulation only if inscription requires or permits it.”<sup>151</sup>

We have seen to some extent how the bodies of Protestant congregants were marked as indebted and coded so that diligent labor in a calling became the primary method of evaluation that set some apart as less indebted and more worthy of credit, trust, and esteem. Correspondingly, those deemed to be ‘idle’ were judged harshly in the theological sense in which their debts would remain irredeemable and they would not be welcome in the kingdom of heaven, and the worldly sense in which they would be marked as sinful, criminal, unsteady, dangerous and dispensable. In this sense, the state of indebtedness, imbalance and disequilibrium valorizes an increase in the duration and intensity of labor. It also serves as a principle for differentiating, dividing and stratifying laboring bodies. Hence debt is not a pathological condition in the emergent capitalist

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<sup>150</sup> Lazzarato, *The Making of the Indebted Man*, 43.

<sup>151</sup> Deleuze & Guattari, *Anti-Oedipus*, 142.

economy, the disequilibrium between subjects that it engenders is in many ways “functional and fundamental” to its operation.<sup>152</sup>

How were the distinctions between creditworthy and unworthy inscribed on the body, and how did this process flow from religious sects into a secularized capitalist political economy? To begin, Weber makes clear that bodily practices and, in particular, the socializing power of the sect as organizational form were essential to shaping Protestant subjects’ conduct in the “rational” and “calculating” direction highly conducive to capitalist production and accumulation. As William Connolly argues in *Capitalism and Christianity, American Style*, a close reading of Weber’s text reveals that “a complex set of beliefs, habits, techniques of induction, and larger institutional processes” contributed to the making of the Calvinist individual “as a type” involving “materialized disciplines such as prayer, ministerial drumming, bodily revulsion against the ‘magical’ practices of Catholicism, local regulation through recognition, gossip and informal punishments, and sufficient religious capture of the state to incorporate several of those strictures into criminal codes and police enforcement.”<sup>153</sup> The “sanctification by works” wrought by Calvinism raised formerly monastic practices with limited scope to the level of a systematic method for conducting and appraising one’s whole life “in every hour and every action.”<sup>154</sup> Christian monasticism had developed ascetic practices including regular confession, strict timetables, hard physical labor, silent reflection and constant prayer, as means of systematically releasing man from “the power of irrational impulses [*Triebe*] . . . to subject him to the supremacy of the purposeful will, and to

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<sup>152</sup> Ibid., 150.

<sup>153</sup> Connolly, William E. *Capitalism and Christianity, American Style*. Durham, NC: Duke Univ. Press, 2008, 18.

<sup>154</sup> Weber, *Protestant Ethic* (2002 ed.), 80.

subordinate his actions to his own continual control and to the consideration of ethical consequences.”<sup>155</sup> The Protestant revolution diverted these disciplinary practices from more isolated, esoteric and unproductive purposes in the monastery and set them loose in the economic world of secular occupations.<sup>156</sup> The transfer of these methods into the world of work and business, and their ability to exert “methodical control over the whole man” were crucial to the “tremendous world-conquering power” of capitalism.<sup>157</sup>

Part of this power derived from the form of the Protestant sect and its institution of what Weber terms a “spiritual aristocracy.”<sup>158</sup> The impetus to put one’s faith to the test in the secular world and to judge whether someone signified grace or damnation, according to Weber, “cut unsparingly into *all* social feelings.”<sup>159</sup> The gulf separating the elect from the damned in Calvinist dogma was transfigured into a social gulf between those who considered themselves worthy of God’s credit and their “sinful” neighbors deserving of “hatred and contempt . . . as enemies of God, who bear the mark of eternal damnation upon them.”<sup>160</sup> Attempts to socially segregate “regenerate Christians from the unregenerate” resulted in the formation of sects.<sup>161</sup> These Protestant sects were essential to instilling in their members the qualities of creditworthiness now associated with *homo oeconomicus*.

Weber details important denominational differences between Pietism, Methodism, and the Baptist movement in *The Protestant Ethic*, and within each he pays attention to how the ideas of signifying debt and deserving election often slipped into one another.

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<sup>155</sup> Ibid., 81.

<sup>156</sup> Ibid., 82-3.

<sup>157</sup> Ibid., 82.

<sup>158</sup> Ibid., 83.

<sup>159</sup> Ibid.

<sup>160</sup> Ibid.

<sup>161</sup> Ibid.

But he focuses more directly on the general disciplinary effect of the Protestant sects on Christian conduct and creditworthiness in his later essay “The Protestant Sects and the Spirit of Capitalism.” Drawing on his own ethnographic research among the Protestant sects in America, Weber argues that the discipline of the Puritans was vested in the hands of laymen rather than the hands of ordained priests or ministers.<sup>162</sup> In order to maintain one’s status as one of God’s elect, a sect member had to hold his or her own under constant surveillance and in constant judgment according to the norms of conduct modeled and reproduced by the group.<sup>163</sup> The watchful gaze of every member of the sect intensified the pressure on each individual to maintain good conduct by holding each accountable for her slightest actions and faults.<sup>164</sup> In this way, Protestant sects shifted the operation of power from a vertical relation between pastor and flock to horizontal relations by which each member kept others in check. If we think of the Protestant sect as a disciplinary institution, then Foucault’s analysis of the disciplinary function of power in prisons, schools, and factories applies here as well. Protestant sects were an early breeding ground for the “multiple, automatic and anonymous power” that functioned as a network of relations “from top to bottom, but also . . . from bottom to top and laterally” holding the whole together while traversing it in its entirety with effects of power.<sup>165</sup> Here we see the consolidation of practices by which “supervisors [are] perpetually supervised.”<sup>166</sup>

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<sup>162</sup> Gerth, Hans Heinrich, C. Mills, and Max Weber, eds. *From Max Weber: Essays in Sociology*. Oxford University Press paperback, [Nachdr.]. New York: Oxford Univ. Press, 1959, 320.

<sup>163</sup> Ibid.

<sup>164</sup> Ibid., 320-1.

<sup>165</sup> Foucault, *Discipline and Punish*, 176.

<sup>166</sup> Ibid., 177.

To what extent did this kind of discipline help form the subject as a “calculating animal”? As Weber, and more recently, Mary Poovey argue, practices of rational accounting and bookkeeping were essential to bringing capitalism and a conception of economic rationality into existence.<sup>167</sup> What is less remarked is that these actuarial practices had religious equivalents in the types of “moral” accounting engaged in by members of the Protestant sects. As we saw in the previous section, the Protestant sects popularized the image of God as an infallible creditor keeping a detailed and constant account of each Christian’s behavioral credits and debits. For instance, Weber says John Bunyan took this image to “a characteristically tasteless extreme” when he argued that the relation between the Christian sinner and God is like relation between a customer and shopkeeper.<sup>168</sup> “One who has once got into debt may well, by the product of all his virtuous acts, succeed in paying off the accumulated interest but never the principal.”<sup>169</sup> Weber suggests that “religious account-books in which sins, temptations, and progress made in grace” were tabulated were common among the Protestant sects as well as among some groups of Catholics.<sup>170</sup> While the Catholic used the spiritual account book under the paternalistic supervision of the priest, the “conscientious Puritan” used it to supervise his own state of spiritual credit; he “felt his own pulse with its aid.”<sup>171</sup> This practice was widespread, and extended up to Weber’s exemplar of the “spirit” of capitalism, Ben Franklin, who kept a “tabulated statistical book-keeping on his progress

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<sup>167</sup> See Weber, *Protestant Ethic* (2002 ed.), 362 and Poovey, Mary. *A History of the Modern Fact: Problems of Knowledge in the Sciences of Wealth and Society*. 3th pr. Chicago: Univ. of Chicago Press, 2004.

<sup>168</sup> Weber, *Protestant Ethic* (1992 ed.), 124.

<sup>169</sup> Ibid.

<sup>170</sup> Ibid.

<sup>171</sup> Ibid.



in the different virtues.”<sup>172</sup> Here we discern again a connection between religious beliefs understood in terms of credit and debt, the practice of carefully accounting for one’s actions, and the spread of certain norms of conduct associated with *homo fidelis* by way of an “uninterrupted play of calculated gazes” turned toward the self and others.<sup>173</sup>

In terms of the Protestant sects’ more direct involvement in commerce and banking, it is important to note that Calvin “abandoned the doctrinal condemnation of loans at interest and generally recognized the morality of commerce.”<sup>174</sup> Calvin’s deft exegetical reading of the Biblical prohibition of usury effectively demolished the religious taboos placed on moneymaking that had acted as a fetter on business activities throughout the medieval period.<sup>175</sup> According to economic historian Ben Nelson, Calvin opened the floodgates on the taboo against usury such that merchants, lawyers, and business spokespeople rushed in to assure its demise. As Nelson puts it, “In the pamphlets of the late sixteenth century, we are no longer in the atmosphere of the confessional; we are in the counting house.”<sup>176</sup> After Calvin, accumulating wealth and earning interest from moneylending were considered desirable as long as they contributed to the prestige of the sect, passed the Golden Rule test of “individual conscience” and the proceeds were not spent on luxury or idle pursuits.<sup>177</sup>

In the case of the United States, Weber discerns an even more direct connection between Protestant asceticism and credit. At least up to end of the 19<sup>th</sup> century, Weber argues, “the question of religious affiliation was almost always posed in social life and in

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<sup>172</sup> Ibid.

<sup>173</sup> Foucault, *Discipline and Punish*, 177.

<sup>174</sup> Bataille, Georges and Robert Hurley. *The accursed share: an essay on general economy*. New York: Zone Books, 1988, 122.

<sup>175</sup> Nelson, *The Idea of Usury*, 74.

<sup>176</sup> Ibid., 83.

<sup>177</sup> See Weber, *Protestant Ethic* (2002 ed.), 106, and Nelson, *The Idea of Usury*, 74.

business life which depended on permanent and credit relations.”<sup>178</sup> Congregations served to guarantee the “moral quality of a person” and often literally backed up the credit of a businessman.”<sup>179</sup> Admission into a congregation involved a probationary period where a new member’s conduct was inquired into going back to early childhood, and those with a poor record of behavior would not make the cut.<sup>180</sup> Hence, we find here further evidence of Protestant sects’ involvement in making distinctions of status within a population by identifying a “spiritual aristocracy” based on ethical conduct – conduct which also guaranteed excellent credit in the economic sphere. As Weber explains, admission to a reputable sect could secure for an individual almost unlimited access to credit in the region, not because the congregation could guarantee payment if a member failed to pay his debt, but because a well reputed sect “would only accept for membership one whose ‘conduct’ made him appear to be morally *qualified* beyond doubt.”<sup>181</sup>

What sect contributed to creditworthiness in the world of business? Among the Quakers, the conduct associated with piety was also viewed as ensuring integrity and “fostering habits of prudence and forethought, important items in obtaining that standing and credit in the commercial world . . . requisites for the steady accumulation of wealth.”<sup>182</sup> Similarly, Weber notes the proverbial expression “honest as a Huguenot” was common in the seventeenth century.<sup>183</sup> Perhaps most important, idleness and wasting time were, for Puritans, among “the first and most serious of all sins.”<sup>184</sup> According to

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<sup>178</sup> Gerth, Hans Heinrich, C. Mills, and Max Weber, eds. *From Max Weber: Essays in Sociology*. Oxford University Press paperback, [Nachdr.]. New York: Oxford Univ. Press, 1959, 303.

<sup>179</sup> *Ibid.*, 305.

<sup>180</sup> *Ibid.*

<sup>181</sup> *Ibid.*

<sup>182</sup> Weber, *Protestant Ethic* (1992 ed.), 180n112.

<sup>183</sup> *Ibid.*

<sup>184</sup> Weber, *Protestant Ethic* (2002 ed.), 106.

Presbyterian Richard Baxter, author of “The Christian Directory” and “The Saint’s Everlasting Rest” two representative Puritan texts, “What is really reprehensible is *resting* on one’s possessions . . . enjoyment of wealth [and] its consequences of idleness and the lusts of the flesh.”<sup>185</sup> Baxter’s advice to those who sought signs of their own grace was to “do the works of him who sent him, as long as it is day’ . . . it is *only* action, not idleness and indulgence, that serves to increase his glory.”<sup>186</sup> As Weber notes, Franklin’s maxim “Time is money” was not yet current. But it existed in a spiritual sense because any moment wasted meant “one less hour devoted to labor in the service of God’s glory.”<sup>187</sup> For Puritans like Baxter, seizing opportunities for private economic profit was no longer restricted; it was commanded since it would be sinful not to profit from opportunities revealed by God.<sup>188</sup> Hence, the qualities conducive to maintaining spiritual and material credit were “drummed” into the members of Protestant sects. In particular the supreme emphasis on ceaseless and systematic labor in a secular calling as the highest ascetic path and surest way of producing visible proof of one’s “deserving” status was, according to Weber, “the most powerful lever imaginable with which to bring about the spread of that philosophy of life . . . here termed the ‘spirit’ of capitalism.”<sup>189</sup>

This finally brings our genealogical account of the constitution of *homo oeconomicus* through the internalization of debt and the projection of creditworthiness back to more familiar figures of liberal government and political economy: Ben Franklin and Adam Smith. Take Weber’s illustration of the “spirit” of capitalism in a famous

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<sup>185</sup> Ibid.

<sup>186</sup> Ibid.

<sup>187</sup> Ibid., 107.

<sup>188</sup> Ibid., 110.

<sup>189</sup> Ibid., 116.

“little sermon” from Franklin: “time is money . . . credit is money . . . money is of the *prolific, generating nature*. Money can beget money, and its offspring can beget more.”<sup>190</sup> There is no longer any mention of God’s glory or election by grace, and Franklin seems to have shifted the magical and creative power onto money itself. This Yankee son of a Calvinist transferred its disciplines into a secular calling. The generation and accumulation of surplus value through the use of time and credit became ends in themselves. And this process is not simply automatic. It involves a particular form of conduct. One must not sit idle, says Franklin, or money cannot proliferate through wages; one cannot let money sit idle either or it cannot multiply through lending at interest. One must become “a good paymaster” in order to become “lord of another man’s purse.”<sup>191</sup> Franklin teaches the qualities of the good creditworthy subject (the “deserving” debtor): industry, frugality, punctuality in payment, and justice in all dealings.<sup>192</sup> Franklin insists that one must conduct a perpetual account of the smallest details of one’s actions:

The most trifling actions that affect a man's credit are to be regarded. The sound of your hammer at five in the morning, or eight at night, heard by a creditor, makes him easy six months longer; but if he sees you at a billiard table, or hears your voice at a tavern, when you should be at work, he sends for his money the next day; demands it, before he can receive it, in a lump.<sup>193</sup>

He cautions that one who had good credit should not rest easy, but keep a careful budget of expenses and income in order to live within his means while saving for the future. If one is known for “prudence and honesty” one may extend one’s buying power through credit. With no mention of God, grace, sin, or redemption, Franklin internalizes and

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<sup>190</sup> Ibid., 9.

<sup>191</sup> Ibid., 10.

<sup>192</sup> Ibid.

<sup>193</sup> Ibid.

celebrates all the qualities of the ascetic Protestant subject, the subject who, as we have seen, has been forged through a long process of training and discipline in which memory and conscience are created through the “mnemotechnics” of credit and debt. Weber makes clear how Franklin expresses an “ethos” – a set of duty-bound steps one must take to serve the general principle productive economic utility.<sup>194</sup> The principles of conduct Franklin puts forth are only ethically prescribed if they serve “useful” economic ends that increase the proliferation of money and the productivity of labor. Any “unnecessary surplus” of this or that virtue, would, according to Weber, seem like “unproductive and reprehensible profligacy.”<sup>195</sup>

One can also discern a connection between Franklin’s “little sermon”— that presents the ethical *products* of Protestant asceticism as deriving from the self-generating, almost spiritual power of money—and certain passages in Adam Smith’s *The Wealth of Nations*. In *Wealth of Nations*, Smith praises “parsimony” as productive of value while castigating the wastefulness created by “prodigality.”<sup>196</sup> Smith even calls idleness and unproductive consumption “perversions” because they act as a drain on the wealth of the entire country.<sup>197</sup> Such a judgment is encapsulated by his statement: “every prodigal appears to be a public enemy, and every frugal man a public benefactor.”<sup>198</sup> One sees in these statements by Smith a prime example of the ways in which the beliefs and practices of Protestant asceticism were taken up, in a loosely secularized form, in order to valorize the desirable traits of *homo oeconomicus*— productivity, diligence, self-control,

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<sup>194</sup> Ibid., 11.

<sup>195</sup> Ibid.

<sup>196</sup> Smith, Adam. 2005. *An Inquiry into the Nature and Causes of the Wealth of Nations*. Hazleton: Electronic Classics Series, 276.

<sup>197</sup> Ibid., 279.

<sup>198</sup> Ibid.

parsimony—in opposition to the qualities associated with the traditional/aristocratic way of life, which, as we see in Smith, are now judged to be perverse and even criminal.

As both Weber and Nietzsche make clear, the shift in values that allowed entrepreneurs and financiers to surmount traditional taboos on the uses of public and private credit and moral limitations of work intensity and duration involved political and ethical struggles. Weber notes that the pioneering entrepreneur must have required a tremendous inner strength, self-control, clarity of vision, vigor, and an irrational (by previous standards) commitment to business—qualities that were valorized and propagated amongst the Protestant sects—in order to thrive in the face of the suspicion, hatred, and moral indignation he would have surely provoked.<sup>199</sup> If Franklin or Smith had expressed a “philosophy of avarice” in such a direct fashion before the events of the Reformation made it intelligible and morally acceptable, they likely would have been condemned and burned as heretics.<sup>200</sup>

As Georges Bataille argues in *The Accursed Share*, the importance of the Reformation from an economic standpoint involved its ability to conceal new economic ideas and practices under an unassailable cloak of moral authority and spiritual guidance.<sup>201</sup> The interests and principles of capitalism would have been extremely difficult to defend *a priori*. However, from the lips of “men of unassailable moral quality, speaking to down-to-earth interests on behalf of higher powers” and through the disciplining effects of the worldly ascetic sects they inspired, the world was turned on its head.<sup>202</sup> What had been considered a fundamentally “immoral” style of life that

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<sup>199</sup> Weber, *Protestant Ethic* (2002 ed.), 22-3.

<sup>200</sup> Ibid., 11.

<sup>201</sup> Bataille, *The Accursed Share*, 125.

<sup>202</sup> Ibid.

prioritized self-interest, individualism, infinite accumulation of wealth, usury, unending work, and maximum productivity—qualities that ultimately benefitted the bourgeois creditor, merchant, and industrialist—came to occupy the dominant *moral* position that articulated what we would now consider to be “capitalist” priorities in political, social, and economic life.<sup>203</sup> In those places where populations were heavily influenced by the Protestant ethos, the asymmetries of the credit/debt relation became absorbed into a secularized ethos that shaped their character traits, respective disciplines and conceptions of success and progress.

#### IV. Conclusion

The notion that I have introduced in this chapter is that engaging in a genealogical investigation of the connections between credit, debt, Christianity and the economic subject of capitalism challenges widely held views about the ways in which capitalism developed and how it functions to this day. If, following Nietzsche and Weber, we do not distinguish, in advance, a natural separation between the moral and material realms, and if we follow the advances of power relations as they constitute the boundaries of the theological and the economic, it becomes very difficult to claim that capitalism derives from a natural human propensity to “truck, barter, and exchange” or from a natural evolution in the division of labor, or as the rational consequence of people acting out of wealth maximizing self-interest, or from the “spontaneous” self-organizing power of the market.<sup>204</sup>

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<sup>203</sup> Ibid.

<sup>204</sup> Smith, *The Wealth of Nations*, 10, 18, 229, and , Friedrich A. von *Law, Legislation and Liberty: A New Statement of the Liberal Principles of Justice and Political Economy*. Chicago: University of Chicago Press, 1973.

Rather, as I have argued in this chapter, this sea change was driven, at least to a significant degree, by spiritual anxieties, religious doctrine, sectarian discipline of conduct, status distinctions and material asymmetries generated through the frame of creditor-debtor relations. According to Nietzsche, it was the monotheistic transformations of Judeo-Christianity that transmuted debt from something binding community members together through webs of mutual dependence and collective obligations to its ancestors, to a “mnemotechnics” of internalized pain, making subjects infinitely accountable, predictable and responsible to a creditor God. Weber helps us understand how the infinite guilt of Christian sin became productive and secularized by Luther and Calvin into a worldly calling and ascetic drive to endless toil and acquisition of wealth. While this Protestant asceticism was initially spurred by fear of eternal damnation and the desire to offer signs of one’s “election by grace,” it eventually overturned taboos on moneymaking and usury, contributing to the rise of an class of entrepreneurs infused with the “spirit” of capitalism, many of whom came to the New World to seek their fortune and spread the glory of God.

However, as we will see in the next chapter, early capitalism was not just born in the European metropole, and was not simply derived from the gradual secularization of a voluntarily adopted religious ethos characterized by the morality of debt. The rise of capitalism was also fueled by European conquest, colonialism, and the genocide and dispossession of Native peoples, which made way for the development of plantation economies employing the forced labor of exiled indentured servants and slaves imported from Africa. Networks of credit and debt were essential to the colonial and slave economies and societies, and, as we shall see, the fashioning of racialized and indebted



subjects was strategically important to the liberal capitalist governmentality that followed slavery's abolition.

## 2 | Indebted Servitude and the Afterlife of Slavery in America

*“With treasure and precious blood your freedom has been purchased. Let these sufferings and sacrifices never be forgotten when you remember that you are not now a slave, but a freedman.”*

— Isaac Brinckerhoff, *Advice to Freedmen*<sup>1</sup>

*“The keynote of the Black Belt is debt; not commercial credit, but debt in the sense of continued inability on the part of the mass of the population to make income cover expense.”*

— W. E. B. Du Bois, *The Souls of Black Folk*<sup>2</sup>

"My Friend, you was [sic] once a slave. You are now a freedman. . . . Your knowledge of what may rightly be expected from you is limited. There is much for you to learn."<sup>3</sup> So begins one of many manuals seeking to offer “friendly” advice to freed slaves in the American South on how to inhabit their newfound status as free. The abolition of slavery in the United States after the Civil War led to a massive upheaval in the racialized labor regime of a rapidly industrializing capitalism, offering the potential for, in the words delivered by Abraham Lincoln at Gettysburg, “a new birth of freedom.” However, the realities of slave abolition also defy the conventional narrative of an upward, modernizing progression from slavery to freedom – from a system that treated some humans as property and significantly relied on their forced labor, to one that ostensibly would treat these same humans as citizens with rights entitling them to own property, to compensated work as free laborers, and to participate fully in the political process as

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<sup>1</sup> Brinckerhoff, Isaac W., Isaac W. Brinckerhoff, and J. B. Waterbury. 1980. *Advice to Freedmen*. Freedmen’s School and Textbooks, v. 4. New York, N.Y: AMS Press, 7.

<sup>2</sup> Du Bois, W. E. B., David W Blight, and Robert Gooding-Williams. 1997. *The Souls of Black Folk*. Boston: Bedford Books, 118.

<sup>3</sup> Ibid., 3.

equals. Coercive labor regimes that continued well after emancipation in the United States, the West Indies, South America, India, China, and elsewhere suggest that accumulation by dispossession, terror, and involuntary servitude persisted in new ways and under different guises from the late 19<sup>th</sup> century well into the 20<sup>th</sup> century.<sup>4</sup>

Many scholars have disclosed the travestied freedom brought about by emancipation, the unfulfilled promises of Reconstruction, and the glaring contradictions that have haunted liberal empire since its inception.<sup>5</sup> However, as Mimi Thi Nguyen notes, these disclosures have hardly attenuated continued liberal invocations of freedom as its redeeming telos, “an at-times blunt instrument, for the disposition of hope and despair, life and death.”<sup>6</sup> In this chapter, I seek to move beyond simply disclosing the bad

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<sup>4</sup> For an examination of the attempt to institute a free labor regime in Jamaica see Holt, Thomas C. *The Problem of Freedom: Race, Labor, and Politics in Jamaica and Britain, 1832-1938*. Johns Hopkins Studies in Atlantic History and Culture. Baltimore: Johns Hopkins University Press, 1992. For a chilling analysis of the overlap of terror, debt and slavery in the British rubber plantations of the Putumayo region of Colombia, see Taussig, Michael. *Shamanism, Colonialism, and the Wild Man: A Study in Terror and Healing*. Nachdr. Chicago: Univ. of Chicago Press, 2004. For a study that includes discussion of debt peonage in the Belgian Congo see Hochschild, Adam. *King Leopold's Ghost: A Story of Greed, Terror, and Heroism in Colonial Africa*. Boston: Houghton Mifflin, 1998. For a discussion of indentured Chinese and Indian “coolie” labor, see Lowe, Lisa. *The Intimacies of Four Continents*. Durham: Duke University Press, 2015.

<sup>5</sup> The literature would be too large to cite in its entirety, but key works include: Marx, Karl, Joseph J. O'Malley, and Richard A. Davis. *Marx: Early Political Writings*. “On the Jewish Question.” Cambridge Texts in the History of Political Thought. Cambridge ; New York: Cambridge University Press, 1994; Du Bois, W. E. B. *Black Reconstruction: An Essay Toward a History of the Part Which Black Folk Played In the Attempt to Reconstruct Democracy In America, 1860-1880*. New York: Russell & Russell, 1962; Du Bois, W. E. B., David W Blight, and Robert Gooding-Williams. *The Souls of Black Folk*. Boston: Bedford Books, 1997; Davis, David Brion. *The Problem of Slavery in the Age of Revolution, 1770-1823*. New York: Oxford University Press, 1999; Holt, Thomas C. *The Problem of Freedom: Race, Labor, and Politics in Jamaica and Britain, 1832-1938*. Johns Hopkins Studies in Atlantic History and Culture. Baltimore: Johns Hopkins University Press, 1992; Foner, Eric. *Reconstruction: America's Unfinished Revolution, 1863 - 1877*. Updated edition. New American Nation Series. New York, NY: HarperPerennial, 2014.; Chatterjee, Partha. *The Nation and Its Fragments: Colonial and Postcolonial Histories*. Princeton Studies in Culture/power/history. Princeton, N.J: Princeton University Press, 1993; Hartman, Saidiya V. *Scenes of Subjection: Terror, Slavery, and Self-Making in Nineteenth Century America*. Race and American Culture. New York, NY: Oxford Univ. Press, 1997; Cooper, Frederick, and Ann Laura Stoler, eds. *Tensions of Empire: Colonial Cultures in a Bourgeois World*. Berkeley, Calif: University of California Press, 1997; Nguyen, Mimi Thi. *The Gift of Freedom: War, Debt, and Other Refugee Passages*. Next Wave: New Directions in Women's Studies. Durham: Duke University Press, 2012; Lowe, Lisa. *The Intimacies of Four Continents*. Durham: Duke University Press, 2015.

<sup>6</sup> Nguyen, Mimi Thi. 2012. *The Gift of Freedom: War, Debt, and Other Refugee Passages*. Next Wave: New Directions in Women's Studies. Durham: Duke University Press, 3.

faith inherent in the ideal of freedom and liberation of the post-emancipation world, which, while certainly representing a breach with the system of chattel slavery that had preceded it, left the majority of former slaves unfree by any definition, and in some respects worse off than before. This chapter contends that debt provided a moral and economic armature well-suited to maintaining power relations of servitude under the auspices of freedom.

The rise of debt as a technology of political, moral, and economic accountability and control occurred at the inflection point between proto-capitalist political economies premised on chattel slavery and the development of a modern industrial capitalism operating, at least on its face, via free exchange and free labor. In the first chapter I drew on Nietzsche and Weber to illustrate how the morality of debt affected the subject formation of Europeans and Euro-Americans through the widespread cultivation of a Protestant ethic of individual responsibility and disciplined labor. While Nietzsche and Weber focus our attention on debt, credit, and the moral suasion and bodily discipline required to produce a subject such as *homo oeconomicus*, they ignore how debt also played a significant role in cultivating labor discipline and fashioning the subjectivities of formerly enslaved and indigenous peoples in the Americas and the greater Imperial world. In this chapter, I seek to turn our attention from the metropole to the colony and the plantation in order to understand the ways in which the dispossession, racialization and management of indigenous and enslaved peoples was intimately involved in the rise of liberal political philosophy, bourgeois morality, indebtedness and capitalist political economy. Moreover, I will account for the ways in which credit and debt facilitated and

legitimated the continuation of conditions of colonialism and servitude well past the abolition of chattel slavery and into the period of “modern” industrial capitalist development.

To do so, I look to thinkers whose work draws from both Marx and Foucault, but expands beyond traditional Marxist and Foucauldian limits by seeking to more fully account for the predominant roles that colonialism, chattel slavery, and racism played and continue to play in capitalist political economy and liberal governmentality. I ask how it was that changes in discourses and practices of power associated with liberalism were able to maintain forms of domination, dispossession and subjection of the newly emancipated black citizenry. To answer this question, I engage particularly the work of W. E. B. Du Bois and Saidiya Hartman to argue that race and debt functioned together as political technologies which, together with outright coercion and violence, helped institute a new regime for disciplining and controlling the free black population in the postbellum American South. Debt and racism proved to be potent forces for shaping the social order, contributing significantly to the development of industrial capitalism in the United States. Finally, this chapter will show how an ascendant liberal governmentality maintained and justified processes of accumulation by dispossession and forced labor by rhetorically and materially deploying the creditor-debtor relationship to control formerly enslaved populations in a way that intertwined the racial marker of blackness with the moral stigma and material bonds of indebtedness.

## **I. “Primitive” Accumulation and Racial Capitalism**

Marx’s discussion of so called “primitive” accumulation in the final chapters of *Capital* is a useful starting point to focus our attention on capitalism’s connections with

colonialism, plantation slavery, colonial displacement and other coercive modes of accumulation. Consider a brief summary of Marx's primitive accumulation thesis. In *Capital, Vol. 1*, Marx engages in a critique of the classical political economy of theorists like Adam Smith and David Ricardo and their conceptions of value, commodities, money, labor, markets and capital. For the greater part of *Capital*, Marx offers an internal critique of key conceptions in the political economy of his time. He focuses on the production process rather than exchange and circulation, and that leads him to a revolutionary reappraisal of the origins of surplus value in the exploitation of the laborer by the capitalist entrepreneur. However, in the last chapters of the book, Marx begins to reassess the great revolving mechanism of the capitalist mode of production he has described up to that point with the suspicious feeling that something crucial was left out. He writes:

The whole movement . . . seems to turn around in a never-ending circle, which we can only get out of by assuming a primitive accumulation . . . an accumulation which is not the result of the capitalist mode of production but its point of departure.<sup>7</sup>

While Adam Smith addresses what he calls a “previous” accumulation of land and resources in *The Wealth of Nations*, Marx takes aim at the way Smith places the events by which his mythical capitalist accumulates wealth in an unexamined time and place *before* the narrative gets started. Smith's account presents the entrepreneur as having acquired his stockpile of money by honest means and hard work, while those without a similar stockpile may have lost out due to their profligate character.<sup>8</sup> Marx takes note of

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<sup>7</sup> Marx, Karl, Friedrich Engels, Ernest Mandel, Ben Fowkes, and David Fernbach. 1990. *Capital: A Critique of Political Economy*. Penguin Classics. London ;New York, N.Y., USA: Penguin Books in association with New Left Review, 873.

<sup>8</sup> Smith, Adam. 2005. *An Inquiry into the Nature and Causes of the Wealth of Nations*. Hazleton: Electronic Classics Series, 276.

the sleight of hand in Smith's account, arguing, "primitive accumulation plays the same role in political economy as original sin does in theology."<sup>9</sup> Smith's narrative places the origin of capitalism in a mythical past where, instead of Adam and Eve eating the forbidden apple and falling from grace, we find a natural division between two sorts of people "one, the diligent, intelligent and above all frugal élite; the other, lazy rascals, spending their substance, and more, in riotous living."<sup>10</sup>

Smith's narrative naturalizes a socio-economic cleavage that was emergent at his time. A small minority was accumulating great wealth exponentially, while the great majority, to use Marx's vivid language, had "nothing to sell except their own skins."<sup>11</sup> The Smithian story also silences further investigation into the ugly history of the events by which this moral and economic stratification became institutionalized. By contrast, Marx seeks to lift the veil on what Foucault calls the "subjugated knowledge"<sup>12</sup> of primitive accumulation to counter Smith's tale of the original economic sin of the profligate laborer. Marx counters Smith's inoculating tale with his argument that "the methods of primitive accumulation are anything but idyllic," and have historically been exemplified by "conquest, enslavement, robbery, murder, in short, force."<sup>13</sup> The

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<sup>9</sup> Marx, *Capital*, 873.

<sup>10</sup> Ibid.

<sup>11</sup> Ibid.

<sup>12</sup> Foucault discusses the "insurrection of subjugated knowledges" in his January 7, 1976 lecture at the Collège de France: "By subjugated knowledges I mean two things: on the one hand, I am referring to the historical contents that have been buried and disguised in a functionalist coherence or formal systematization. . . . On the other hand, I believe that by subjugated knowledges one should understand something else . . . namely, a whole set of knowledges that have been disqualified as inadequate to their task or insufficiently elaborated . . . a particular, local, regional knowledge, a differential knowledge incapable of unanimity and which owes its force only to the harshness with which it is opposed by everything surrounding it." Foucault, Michel, and Colin Gordon. *Power/knowledge: Selected Interviews and Other Writings, 1972-1977*. 1st American ed. New York: Pantheon Books, 1980, 81-2.

<sup>13</sup> Marx, *Capital*, 874.

exemplary acts of violence Marx chronicles shift the focus away from the European metropole and focus squarely on the colonial context:

The discovery of gold and silver in America, the extirpation, enslavement and entombment in mines of the indigenous population of that continent, the beginnings of the conquest and plunder of India, and the conversion of Africa into a preserve for the commercial hunting of blackskins, are all things which characterize the dawn of the era of capitalist production. These idyllic proceedings are the chief moment of primitive accumulation. Hard on their heels follows the commercial war of the European nations, which has the globe as its battlefield. It begins with the revolt of the Netherlands from Spain, assumes gigantic dimensions in England's Anti-Jacobin War, and is still going on in the shape of the Opium Wars against China.<sup>14</sup>

Marx does not detail the transition from feudal and mercantilist social relations to those of industrial capitalism as a glorious revolution or as a natural progression out of a human propensity to barter and exchange. He analyzes it as a transnational set of processes involving conquest, plunder and enslavement in Europe, Asia, Africa and the Americas. The history Marx tells records how agrarian populations were, in his words, “forcibly expropriated from the soil, driven from their homes, turned into vagabonds, and then whipped, branded and tortured by grotesquely terroristic laws into accepting the discipline necessary for the system of wage-labour.”<sup>15</sup> He thus disrupts the idyllic historical narrative that supports Smith’s liberal characterization of *laissez-faire* politics and the birth of free markets.

The type of narrative Marx seeks to debunk—one that naturalizes a particular social order by curating a myth of its past—is, of course, not uniquely employed by Smith. A range of early modern political theorists including Thomas Hobbes and John Locke employ this rhetorical strategy to various political ends. For instance, Locke’s *Two*

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<sup>14</sup> Ibid., 915.

<sup>15</sup> Ibid., 899.



*Treatises of Government* (1689) provides a similar narrative for the origin and foundation of private property that naturalizes and justifies Europeans' dispossession of and dominion over Indigenous peoples. Here Locke argues that while God "gave the world to men in common" he clearly meant for it to be subdued and cultivated and thus primarily "gave it to the use of the industrious and rational."<sup>16</sup> As Locke's argument goes, "Whatsoever [man] removes out of the state of nature . . . he hath mixed his labour with, and joined to it something that is his own, and thereby makes it his property."<sup>17</sup> In territories deemed "vacant" or at least not already governed under the laws of a European sovereign state wherein "the possession of land is determined by positive constitutions," Locke declares: "*As much land* as a man tills, plants, improves, cultivates, and can use the product of, so much is his *property*."<sup>18</sup>

Locke argues that this principle holds going as far back as the Biblical days of Noah and Abraham, but the main exemplar of wild and unimproved lands in Locke's account is America, or in his words the "inland, vacant places of America" where one could, in his view, appropriate land without prejudicing or encroaching upon the rest of mankind.<sup>19</sup> Locke's narrative of property that represents "the so-called new world as vacant and uninhabited by Christian civilized persons" offers an early exemplar of what Lisa Lowe identifies as a "central trope of settler colonialism" employed by Europeans to "banish, sequester, and dispossess indigenous peoples of their land."<sup>20</sup> Despite his rosy portrayal, it appears Locke would have known quite well that settler colonialism entailed

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<sup>16</sup> Locke, John. 1995. InteLex Corporation, and InteLex Past Masters (Online service). *Philosophical Works and Selected Correspondence of John Locke*. Charlottesville, Va.: InteLex Corporation. <http://crkn.nlx.com/xtf/view?docId=locke/locke.xml>, 291.

<sup>17</sup> Ibid., 287.

<sup>18</sup> Ibid., 290, 301.

<sup>19</sup> Ibid., 292.

<sup>20</sup> Lowe, Lisa. 2015. *The Intimacies of Four Continents*. Durham: Duke University Press, 10.

quite a bit of encroachment upon Indigenous peoples, including their violent repression and removal. Locke was employed as the secretary for the proprietors of the colony of Carolina, helping pen its constitution, and later as secretary and treasurer for the English Council for Trade and Foreign Plantations.<sup>21</sup> Historian David Armitage argues that Locke is “a crucial link in the historical chain joining liberalism with colonialism” considering that no figure as canonical in the history of political thought “played as prominent a role in the institutional history of European colonialism before James Mill and John Stuart Mill.”<sup>22</sup>

In his role as both colonial administrator and political philosopher, we see in the *Two Treatises*, Locke’s effort to justify processes of “primitive accumulation” in the New World, and not only Indian expropriation and removal, but also chattel slavery on the plantations his employers began cultivating in the new Carolina colony. His contribution to the *Fundamental Constitutions of Carolina*, alongside its insistence on religious toleration, assumed the existence of slavery in the colony and included the provision clearly stating, “Every Freeman of Carolina shall have absolute <power and> Authority over his Negro slaves of what opinion or Religion soever.”<sup>23</sup> One can thus trace from Locke to the founders of the American republican a logic that seeks freedom from tyranny, political equality, and the sanctity of free trade and private property for white men on the one hand, while sanctioning the brutal treatment and enslavement of “certain

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<sup>21</sup> Armitage, D. 2004. “John Locke, Carolina, and the Two Treatises of Government.” *Political Theory* 32 (5): 602–27. doi:10.1177/0090591704267122.

<sup>22</sup> Ibid.

<sup>23</sup> Quoted in Armitage, D. 2004. “John Locke, Carolina, and the Two Treatises of Government.” *Political Theory* 32 (5): 602–27. doi:10.1177/0090591704267122.

Barbarous men” and women, namely those identified and branded at the time as “Indians” and “Negroes.”<sup>24</sup>

Marx’s interpretation of classical political economy and liberal political theory has inspired critical efforts to reread thinkers like Smith and Locke and to dramatize the history and functioning of capitalism in ways that do not disavow its imbrication with violent forms of coercion and dispossession. In Marx’s counter-narrative, capitalism begins with violent forms of accumulation that dispossess the majority and privatize capital in the hands of a few – a process often described as the “enclosure of the commons.”<sup>25</sup> This stage is then followed by a process of “proletarianization” whereby the great mass of the dispossessed are then forced to sell their labor for wages in order to survive. These dual processes of dispossession and compulsion correspond in liberal discourse, Marx notes ironically, to the dual freedoms of property and contract, whereby the worker ends up “free” from material resources and to sell his or her labor as a commodity on the market.<sup>26</sup> Once capitalist production is in full swing and a working class has become accustomed by “education, tradition and habit” to its requirements, Marx insists that the “silent compulsion of economic relations sets the seal on the domination of the capitalist over the worker.”<sup>27</sup> While he admits that “direct extra-

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<sup>24</sup> Ibid.

<sup>25</sup> The enclosure of public common lands and their transformation into private property, it has been widely argued, constituted an important event in the origin of capitalism. See Marx, Karl, Friedrich Engels, Ernest Mandel, Ben Fowkes, and David Fernbach. *Capital: A Critique of Political Economy*, “Chapter 27: The Expropriation of the Agricultural Population from the Land,” Penguin Classics. London ;New York, N.Y.: Penguin Books in association with New Left Review, 1990; Polanyi, Karl, Joseph E. Stiglitz, and Fred Block. *The Great Transformation: The Political and Economic Origins of Our Time*. “Chapter 3: Habitation versus Improvement.” 2. Beacon paperback ed., [reprinted]. Boston, Mass: Beacon Press, 2010; and Thompson, Edward Palmer. *The Making of the English Working Class*. [Partly extended and rev. ed.] London: V. Gollancz, 1980.

<sup>26</sup> Marx, *Capital*, 272-3.

<sup>27</sup> Ibid., 899.

economic force” may still be used, it now plays a minor role, to be used in exceptional cases.<sup>28</sup>

Marx’s critique of “primitive” accumulation sets the stage for our analysis of the intersections of capitalism, debt, and race, but it is necessary to build on Marx’s analysis using a deepening body of interdisciplinary scholarship that alters the concept of “primitive” accumulation to encompass the ongoing phenomena of settler colonialism, land and resource dispossession, enslavement, forced labor and racism that continued to be part and parcel of capital accumulation throughout the industrial revolution and, as I argue in later chapters, continue up to the present day.<sup>29</sup>

David Harvey offers a prominent reconceptualization of primitive accumulation from within a solidly Marxist framework, in which he focuses on the central role played

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<sup>28</sup> Ibid. Max Weber echoes this argument in *The Protestant Ethic and the ‘Spirit’ of Capitalism*, suggesting that once the capitalist “spirit” and mode of production come to dominate, they calcify into an “iron cage” into which the individual is born and must conform to their values in order to survive. Both Marx and Weber, at least in these passages, give the sense that once capitalism got past the initial stage of violent accumulation through conquest, it was able to function almost automatically and largely peacefully, normalizing its subjects into the proper comportments, habits of mind, and conceptions of contract and property befitting waged labor. They both are somewhat consistent in their temporal framing, suggesting an “open” period of volatility and uncertainty during the emergence of capitalism, followed by a closed mechanistic period once the machine had all its parts and no longer require the processes it had relied on to get going. Weber, Max, Peter Baehr, and Gordon C. Wells. *The Protestant Ethic and the “Spirit” of Capitalism and Other Writings*. Penguin Twentieth-Century Classics. New York: Penguin Books, 2002, 13.

<sup>29</sup> A range of scholars have contributed to rethinking Marx’s concept of “primitive” accumulation, viz., Kropotkin, Petr Alekseevich, and Marshall Shatz. *The Conquest of Bread and Other Writings*. Cambridge Texts in the History of Political Thought. Cambridge ; New York: Cambridge University Press, 1995; Robinson, Cedric J. *Black Marxism: The Making of the Black Radical Tradition*. Chapel Hill, N.C: University of North Carolina Press, 2000; Perelman, Michael. *The Invention of Capitalism: Classical Political Economy and the Secret History of Primitive Accumulation*. Durham, N.C: Duke University Press, 2000; Harvey, D. “The ‘New’ Imperialism: Accumulation by Dispossession.” *Socialist Register* 40 (2004): 63-87; Federici, Silvia. *Caliban and the Witch*. 2., rev. ed. New York, NY: Autonomedia, 2014; Glassman, J. “Primitive Accumulation, Accumulation by Dispossession, Accumulation by ‘Extra-Economic’ Means.” *Progress in Human Geography* 30, no. 5 (October 1, 2006): 608–25. doi:10.1177/0309132506070172; Alfred, Gerald R. *Wasa’sse: Indigenous Pathways of Action and Freedom*. Peterborough, Ont. ; Orchard Park, N.Y: Broadview Press, 2005; Smith, Andrea. *Conquest: Sexual Violence and American Indian Genocide*. Cambridge, MA: South End Press, 2005; Goldstein, A. “Finance and Foreclosure in the Colonial Present.” *Radical History Review* 2014, no. 118 (January 1, 2014): 42–63. doi:10.1215/01636545-2349095; Coulthard, Glen Sean. *Red Skin, White Masks Rejecting the Colonial Politics of Recognition*. Minneapolis: University of Minnesota Press, 2014; Lowe, Lisa. *The Intimacies of Four Continents*. Durham: Duke University Press, 2015.

by credit and debt in the accumulation process. He stresses how “accumulation based on predation, fraud, and violence” cannot be relegated to some “original stage” of capitalism nor can it be placed exterior to the capitalist system.<sup>30</sup> For this reason, Harvey advocates renaming “primitive” accumulation “accumulation by dispossession.”<sup>31</sup> Drawing on Rosa Luxemburg who argued that capital accumulation functioned through colonial policy and an international loan system in the 19<sup>th</sup> and early 20<sup>th</sup> centuries, Harvey stresses the role credit, debt, and finance continue to play in *ongoing* modes of capital accumulation by dispossession. Focusing on accumulation by dispossession not only highlights the role of the state in capitalist accumulation, it highlights how, in Harvey’s words, the “credit system and finance capital have . . . been major levers of predation, fraud and thievery . . . [leading to] the promotion of debt encumbrancy that reduces whole populations, even in the advanced capitalist countries, to debt peonage.”<sup>32</sup> In Harvey’s view, accumulation by dispossession through mechanisms of credit and debt is a central feature of what “contemporary capitalism is all about.”<sup>33</sup>

From a different angle, Cedric Robinson argues in his highly influential work *Black Marxism: The Making of the Black Radical Tradition* that Marx’s theorization of capitalism is insufficient because it does not account for the ways in which race and racism were essential to the “development, organization, and expansion of capitalist society” from the time of its feudal beginnings on European soil onwards.<sup>34</sup> Like Harvey, Robinson asserts that Marx was wrong to assign slave labor and other coercive labor

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<sup>30</sup> Harvey, D. 2004. “The ‘New’ Imperialism: Accumulation by Dispossession.” *Socialist Register* 2004 (40): 63-87.

<sup>31</sup> Ibid.

<sup>32</sup> Ibid.

<sup>33</sup> Ibid.

<sup>34</sup> Robinson, Cedric J. 2000. *Black Marxism: The Making of the Black Radical Tradition*. Chapel Hill, N.C: University of North Carolina Press, 2.

regimes, as well as their racializing effects, to “some ‘pre-capitalist’ stage of history. Instead, he suggests that it is far more accurate to talk of “primitive” accumulation as an ongoing phenomenon of what Robinson terms “racial capitalism.”<sup>35</sup> In conversation with Robinson and others, Lisa Lowe elaborates the ways in which violent accumulation continues well beyond the founding moments of settler colonial conquest and appropriation of land and labor. She argues that the operations that constitute “primitive” accumulation, including “settler seizure and native removal, slavery and racial dispossession, and racialized expropriations of many kinds . . . are imbricated processes, not sequential events; they are ongoing and continuous in our contemporary moment, not temporally distinct nor as yet concluded.”<sup>36</sup> Lowe writes, “The abstract promises of abolition, emancipation, and the end of monopoly often obscure their embeddedness within colonial conditions of settlement, slavery, coerced labor, and imperial trades.”<sup>37</sup> Moreover, like Robinson, Lowe emphasizes the role that improvised racial categories have played in the accumulation process by dividing humanity, from the European perspective, into those deserving of rights and liberties and those deserving the status of “barbarians,” non-human chattel, or sub-human and expendable labor.<sup>38</sup>

Rethinking accumulation by dispossession as a standard feature of racial capitalism suggests, as Glen Coulthard argues, the need to avoid economic reductionism in examining both historical and contemporary relations of colonial and capitalist domination.<sup>39</sup> Coulthard insists that power functions along racial, gendered, state,

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<sup>35</sup> Ibid., 4.

<sup>36</sup> Lowe, *The Intimacies of Four Continents*, 7.

<sup>37</sup> Ibid., 16.

<sup>38</sup> Ibid.

<sup>39</sup> Coulthard, Glen Sean. 2014. *Red Skin, White Masks Rejecting the Colonial Politics of Recognition*. Minneapolis: University of Minnesota Press, 14.

nationalist and other axes in unique ways that call out for a “radical intersectional analysis,” which engages a “diversity of interlocking oppressive social relations.”<sup>40</sup> This is an important insight for considering the racialized effects of credit and debt in both Marx’s time and ours. As we will see, colonial relations of domination involving the creation of conditions of perpetual indebtedness for certain populations existing within and alongside market relations of production based on wage labor – the primary focus of Marx’s critique of capital. Engaging in an intersectional analysis of modes of colonialism operating within and alongside capitalism allows us to anticipate practices of accumulation by dispossession cloaked in egalitarian principles and justified as fulfilling so called “progressive” political ends.<sup>41</sup> Moreover, as Coulthard emphasizes, from the perspective of colonized Indigenous peoples, “proletarianization” is not the dominant feature of capitalist expansion and development; it is dispossession.<sup>42</sup> Shifting away from a conceptual framework dominated by the white male proletariat allows us to focus on the dynamics of accumulation by dispossession which, I will argue, serve to control formerly colonized and enslaved peoples, in particular through the formation of an indebted subjectivity branded by race.

Hence the need, in my view, for combining the subaltern Marxian analysis of accumulation by dispossession coming out of the black radical tradition, postcolonial studies, and indigenous studies with a Foucauldian perspective that examines power-knowledge relations shaping conduct and the formation of subjectivities through the lens

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<sup>40</sup> Ibid., 15.

<sup>41</sup> Ibid., 12.

<sup>42</sup> Ibid., 13.

of discipline and governmentality.<sup>43</sup> A turn to governmentality seems particularly apt in that accumulation by dispossession does not always proceed by overt forms of violence, but, as Coulthard notes, often functions through the selective granting, management, and recognition of freedom.<sup>44</sup> In particular, this chapter examines the ways in which liberal governmentality deployed the rhetoric of freedom, rights, and personal responsibility to solicit the participation of former slaves in their own domination.<sup>45</sup>

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<sup>43</sup> The use of Foucault's concept of "governmentality" is now ubiquitous in the literature of a range of disciplines including political theory, sociology, geography and anthropology. For my purposes I am drawn to one of Foucault's later definitions of governmentality that defines it as an "analytical grid" for examining the power relations through which one "conducts the conduct of men." See Foucault, Michel, and Michel Senellart. 2010. *The Birth of Biopolitics: Lectures at the Collège de France, 1978 - 79*. Michel Foucault's Lectures at the Collège de France. Basingstoke: Palgrave Macmillan, 186. I adopt a theoretical approach focused on governmentality for its ability, on the one hand, to destabilize assumptions about the explanatory power of ready-made structures, institutions, and objects like "the state," "capitalism," or even some versions of "neoliberalism," and, on the other hand, for the emphasis it puts on a genealogical understanding of the shifting technologies and alliances that continuously produce these phenomena as unstable but real forces in the world. For a list of important works in the literature on governmentality informing this project, see Burchell, Graham, and Michel Foucault, eds. *The Foucault Effect: Studies in Governmentality ; with Two Lectures and an Interview with Michel Foucault*. 1. publ. London [u.a]: Harvester Wheatsheaf, 1991; Rose, Nikolas, Pat O'Malley, and Mariana Valverde. "Governmentality." *Annual Review of Law and Social Science* 2, no. 1 (December 2006): 83–104. doi:10.1146/annurev.lawsocsci.2.081805.105900; Ong, Aihwa. *Neoliberalism As Exception: Mutations In Citizenship and Sovereignty*. Durham [N.C.]: Duke University Press, 2006; Elden, Stuart. "Governmentality, Calculation, Territory." *Environment and Planning D: Society and Space* 25, no. 3 (2007): 562–80. doi:10.1068/d428t.; Dean, Mitchell. *Governmentality: Power and Rule In Modern Society*. 2nd ed. Los Angeles: SAGE, 2010; Spence, Lester. *Stare in the Darkness: The Limits of Hip-hop and Black Politics*. Minneapolis: University of Minnesota Press, 2011; Soss, Joe, Richard C. Fording, and Sanford Schram. *Disciplining the Poor: Neoliberal Paternalism and the Persistent Power of Race*. Chicago: University of Chicago Press, 2011; Dilts, Andrew. "From 'Entrepreneur of the Self' to 'Care of the Self': Neo-liberal Governmentality and Foucault's Ethics." *Foucault Studies*. No. 12, October 2011; Lazzarato, M., and Joshua David Jordan. *The Making of the Indebted Man: An Essay on the Neoliberal Condition*. Semiotext(e) Intervention Series 13. Los Angeles, CA: Semiotext(e), 2012; Walters, William. *Governmentality: Critical Encounters*. Critical Issues in Global Politics. New York: Routledge, 2012; Nguyen, Mimi Thi. *The Gift of Freedom: War, Debt, and Other Refugee Passages*. Next Wave: New Directions in Women's Studies. Durham: Duke University Press, 2012; Joseph, Miranda. *Debt to Society: Accounting for Life under Capitalism*. Minneapolis: University of Minnesota Press, 2014; Coulthard, Glen Sean. *Red Skin, White Masks Rejecting the Colonial Politics of Recognition*. Minneapolis: University of Minnesota Press, 2014; and Lowe, Lisa. *The Intimacies of Four Continents*. Durham: Duke University Press, 2015.

<sup>44</sup> Coulthard, *Red Skin, White Masks*, 16.

<sup>45</sup> Ibid.



It must be noted that Foucault, notwithstanding his notable discussion of race and racism in the 1976-77 *Collège de France* lectures entitled “*Society must be Defended*,”<sup>46</sup> largely left issues of settler colonialism, chattel slavery, and modern racialized labor regimes unexplored. Ann Laura Stoler points out that Foucault’s Eurocentric focus on the production and treatment of “internal enemies” like the mad, sexually deviant and criminal, however valuable, led him to ignore the importance of the global theatre of colonialism as a crucial context in which to explore “the gritty historical specificities of what racial discourse did both to confirm the efficacy of slavery and to capture new populations in the transition to wage-labor.”<sup>47</sup> In order to adapt Foucault’s concepts of discipline and governmentality to better account for race, I find it helpful to augment Foucault’s notion of subject formation with Michael Omi and Howard Winant’s conceptual framework of “racial formation.” This framework considers race as “an unstable and ‘decentered’ complex of social meanings constantly being transformed by political struggle.”<sup>48</sup> The formation of racial concepts and their attachment to certain bodies get taken up for use in a variety of what Omi and Winant call “racial projects:” the use of race to represent, organize and govern bodies and social structures.<sup>49</sup> It is thus my contention that a focus on accumulation by dispossession, governmentality, and racial

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<sup>46</sup> In these lectures Foucault defines “racism” as the introduction of “a break into the domain of life that is under power’s control: the break between what must live and what must die.” He argues that racism involves discursive techniques and political practices that separate out groups within a population, identify those sub-groups judged to be a threat or risk to the health of the general population, and legitimate this group’s expulsion, rejection, political death, or even extermination. Foucault, Michel, Mauro Bertani, Alessandro Fontana, François Ewald, and David Macey. “Society Must Be Defended”: Lectures At the Collège De France, 1975-76. New York: Picador, 2003, 254-6.

<sup>47</sup> Stoler, Ann Laura. 2004. *Race and the Education of Desire: Foucault’s History of Sexuality and the Colonial Order of Things*. 6. print. Durham: Duke University Press, 91-3.

<sup>48</sup> Omi, Michael, and Howard Winant. 1994. *Racial Formation in the United States: From the 1960s to the 1990s*. 2nd ed. New York London: Routledge, 55.

<sup>49</sup> Ibid., 55-6.

formation together allows for a more compelling analysis of the “gritty historical specificities” of how credit and debt became imbricated with race as part of a reorganization of racial capitalism after the abolition of slavery in America.

## II. Emancipation and the Gift of Freedom

After over two hundred years of systematic domination, forced labor, subjection to brutal abuse and punishments of all kinds, murder, rape, and treatment as a less than human form of property, how could it be that the freed slaves in the United States owed anything at all to their former masters? How could they be indebted to the nation that had profited so richly from their enslavement and only reluctantly declared them free? How could the event of emancipation— understood colloquially among former slaves in the biblical terms of “Jubilee”<sup>50</sup> (the cancellation of all debts)—sow the seeds of the freedman’s return to bondage? In *Scenes of Subjection*, her brilliant study of slavery, Reconstruction and black subject formation in 19<sup>th</sup> century America, Saidiya Hartman explains the logic of this dynamic in terms of the “gift of freedom.” She finds in Isaac Brinckerhoff’s practical manual for former slaves *Advice to Freedmen*, an exemplar of the postbellum narrative by which freedom granted became a gift that demanded recompense. In a section entitled “How You Became Free,” Brinckerhoff writes:

To accomplish this [securing your freedom] the government has spent many millions of dollars; many parents have given up their sons, and many wives their husbands. Many thousand households at the north are clothed in mourning, and many tears are shed for the dead who have been slain. With treasure and precious blood your freedom has been purchased. Let these sufferings and sacrifices never be forgotten when you remember that you are not now a slave, but a freedman.<sup>51</sup>

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<sup>50</sup> Jubilee refers to a year in which creditors cancelled debts and freed those enslaved through debt bondage. See Graeber, David. *Debt: The First 5,000 Years*. Updated and expanded ed. Brooklyn, NY: Melville House, 2014, 82; Deuteronomy 15:1–3.

<sup>51</sup> Brinckerhoff, *Advice to Freedmen*, 7.

This selective interpretation of the events of the Civil War seeks to establish a debt owed by freed blacks to the American government and ostensibly the Union soldiers and their families for the blood and treasure expended in securing their freedom. There is no mention of the suffering and massive sacrifices endured by blacks under slavery, nor of the role they played in securing their own freedom by engaging in a massive general strike and fighting as soldiers for the Union.<sup>52</sup> Hartman shows how these textbooks create a narrative origin story by which “the burden of debt, duty, and gratitude foisted onto the newly emancipated in exchange or repayment for their freedom is established.”<sup>53</sup> Any notion that freedom would mean rest, idleness, enjoyment, and a reduced burden for the former slave was immediately quashed in these texts. *Advice to Freedmen* continues:

With the enjoyment of a freedman's privileges, come also a freedman's duties and responsibilities. These are weighty. You cannot get rid of them. They must be met. And unless you are prepared to meet them with a proper spirit, and patiently and cheerfully to fulfil these obligations, you are not worthy of being a freedman.<sup>54</sup>

Thus, Hartman notes, “[e]mancipation instituted indebtedness. Blame and duty and blood and dollars marked the birth of the free(d) subject.”<sup>55</sup>

The event of emancipation in the United States exemplifies a key strategy of liberal governmentality: “the gift of freedom” becomes a way of including the formerly colonized and enslaved in the polity. It employs freedom as a “force” that unevenly extends the promise of life, but demands repayment and sacrifice in return.<sup>56</sup> In her

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<sup>52</sup> See Du Bois, W. E. B. *Black Reconstruction: An Essay Toward a History of the Part Which Black Folk Played In the Attempt to Reconstruct Democracy In America, 1860-1880*. New York: Russell & Russell, 1962, in particular Chapter IV “The General Strike” and Chapter V “The Coming of the Lord.”

<sup>53</sup> Hartman, Saidiya V. 1997. *Scenes of Subjection: Terror, Slavery, and Self-Making in Nineteenth Century America*. Race and American Culture. New York, NY: Oxford Univ. Press, 130.

<sup>54</sup> Brinckerhoff, *Advice to Freedmen*, 7.

<sup>55</sup> Hartman, *Scenes of Subjection*, 131.

<sup>56</sup> Nguyen, *The Gift of Freedom*, 5.

penetrating treatment of the subject, Mimi Thi Nguyen draws on Mauss, Derrida, and Foucault to theorize the gift of freedom as a “world shaping concept” that produces both “promise and duress.”<sup>57</sup> As she puts it, the gift of freedom generates “a relation between giver and recipient that engenders a debt,” a debt which evinces “those imperial remains that preclude the subject of freedom from being able to escape a colonial order of things.”<sup>58</sup> She, like Hartman, construes the gift of freedom as “a surface on which power acts,” engaging in imbricated projects of subject formation, racial formation and capital accumulation.<sup>59</sup>

Emancipation—“by virtue of the gift of freedom and wage labor”—incorporated blacks into the democratic “narrative of the rights of man and citizen” as well as the liberal narrative of social contract and free labor, while simultaneously maintaining the legacy of slavery through the “unyielding fabrication of blackness as subordination,” dependency, indebtedness, and criminality.<sup>60</sup> This was accomplished “under the aegis of formal equality.”<sup>61</sup> The freedman is now addressed by white saviors as a human, an individual and a “friend;” this recognition serves not to elaborate the civil or human rights he now possesses, but to ensure that he is aware of the duties he and his community are now obliged to carry out.<sup>62</sup> Indeed, the gift of freedom is presented as contingent: “I believe that *if* you and your people will follow wise counsels, and try to do right and

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<sup>57</sup> Ibid.

<sup>58</sup> Ibid.

<sup>59</sup> Ibid.

<sup>60</sup> Hartman, *Scenes of Subjection*, 119.

<sup>61</sup> Ibid.

<sup>62</sup> Here I remind the reader of Nietzsche’s words in *Twilight of the Idols*: “We no longer have any sympathy today with the concept of ‘free will’: we know only too well what it is – the most infamous of all the arts of the theologian for making mankind ‘accountable’ . . . Men were thought of as ‘free’ so that they could become *guilty*.” Nietzsche, Friedrich Wilhelm, R. J. Hollingdale, Michael Tanner, and Friedrich Wilhelm Nietzsche. *Twilight of the Idols: And, The Anti-Christ*. Penguin Classics. London ;New York, N.Y: Penguin Books, 2003.

improve the advantages which you now have, you will *become* worthy and respected citizens of this great nation [my emphasis].”<sup>63</sup> As Brinckerhoff addresses his old and dear friend the “Negro”: unless you “patiently and cheerfully” fulfill your weighty new obligations, “you are not worthy of being a freedman.”<sup>64</sup> Hence, the gift of freedom institutes a racial debt to “white” society borne by the black population. Brinckerhoff reminds the freedmen that their former masters and even some of their northern abolitionist friends fear that they are “helpless and dependent as children” and will become a “burden to the community . . . that the government will be compelled to feed and clothe.”<sup>65</sup> Thus, in order for the blacks to become worthy of citizenship and social esteem in the eyes of both Northern and Southern whites, they are enjoined to take *individual responsibility* for paying back their debt of gratitude to the nation through good future *conduct*. “Your future history must, under God, be wrought out by *yourselves*,” but “you need not fear. Put your trust in God, and bend you back joyfully and hopefully to the burden.”<sup>66</sup>

Finally, the power of the debt created through the gift of freedom involves a relation to time and memory. The notion that freedom ought to be considered an enormous “gift” given to former slaves by northern benefactors reinforces an interpretation of the past that emphasizes *white* sacrifice by courageous soldiers and mothers over the sacrifices of slaves forced to toil endlessly for hundreds of years. Another manual, *Plain Counsels for Freedmen*, even suggests that the “sacrifices” of former slave owners, bitter and resentful for losing their privileged status, wealth and

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<sup>63</sup> Brinckerhoff, *Advice to Freedmen*, 4.

<sup>64</sup> *Ibid.*, 7.

<sup>65</sup> *Ibid.*, 10.

<sup>66</sup> *Ibid.*, 7-8, 10.

“property,” should be respected and “sore toes” should not be stepped on for fear of arousing anger and inflaming prejudice.<sup>67</sup> This amnesiac memory of slavery emphasizing “paternalism, dependency, and will-lessness” and disavowal of the enormous injury and injustice committed by whites, “was to be seared into the minds of the freed.”<sup>68</sup>

Many former slaves rejected this narrative and felt that they couldn’t owe any debt that they had not already paid back a thousandfold.<sup>69</sup> If anyone was owed a debt, it was the freedmen, many of whom demanded some form of reparations, of which, land would be the crucial component.<sup>70</sup> While these counter-arguments may have had some traction with the Union government toward the beginning of the Reconstruction period—especially considering the government’s promise that freed slaves would receive up to forty acres of confiscated land for three years which they would then be entitled to purchase—they fell on deaf ears once the period of “Redemption” was underway in 1876.<sup>71</sup>

It seems clear that the purpose of the emancipation narrative of the gift of freedom, disseminated in works like *Advice to Freedmen* and other similar texts,<sup>72</sup> was, on the one hand, to wipe away the public memory of the suffering and injustices of slavery in order to void the freedmen’s claims to retribution, reparations, or

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<sup>67</sup> Quoted in Hartman, *Scenes of Subjection*, 149.

<sup>68</sup> Ibid., 131-2.

<sup>69</sup> Ibid.

<sup>70</sup> Du Bois, W. E. B., David W Blight, and Robert Gooding-Williams. 1997. *The Souls of Black Folk*. Boston: Bedford Books, 56.

<sup>71</sup> Blackmon, Douglas A. 2012. *Slavery by Another Name: The Re-Enslavement of Black Americans from the Civil War to World War II*. London: Icon, 18.

<sup>72</sup> See Brinckerhoff, Isaac W., Isaac W. Brinckerhoff, and J. B. Waterbury. *Advice to Freedmen. Freedmen’s School and Textbooks*, v. 4. New York, N.Y: AMS Press, 1980; Waterbury, Jared Bell. *Friendly Counsels for Freedmen*. Place of publication not identified: Book On Demand Ltd, 2013; Fisk, Clinton Bowen. *Plain Counsels for Freedmen: In Sixteen Brief Lectures*. Boston: American Tract Society, 1866; Brown, H. E., and Clinton Bowen Fisk. *John Freeman and His Family*. New York, N.Y.: AMS Press, 1980; Waterbury, J. B. *Southern Planters and the Freedmen*. New York: American Tract Society, 1860.

redistribution, and on the other hand, to convince former slaves that they were owed nothing, and, in fact, were individually responsible for paying back the debt of their manumission to the creditor nation by joyfully returning to work on the plantations. As Hartman explains, “blacks gained entry to the body of the nation-state as expiators of the past, as if slavery and its legacy were solely their cross to bear.”<sup>73</sup> *Advice to Freedmen* puts it bluntly: “Though you have for generations been a *dependent and enslaved race*, yet with many visible marks of degradation still upon you, there is evidence of a God-given manhood within, which only needs to be properly developed and rightly cultivated to make you happy, prosperous, and *useful* [my emphasis].”<sup>74</sup> Blacks, now refigured as responsible liberal individuals, would bear the lion’s share of the cost of dealing with the degradations wrought by slavery, displacing “the nation’s responsibility for providing and ensuring the rights and privileges conferred by the Reconstruction Amendments” by becoming the “locus of blame and site of aberrance.”<sup>75</sup>

### III. Liberal Governmentality and Indebted Servitude

The granting of freedom through slave emancipation was leveraged to institute an indebted class of subjects who were encouraged to never forget the sacrifices endured by their white benefactors and by the white nation. This deliberate entwinement of indebted and racial identities was deployed as a crucial aspect of the post-emancipation strategy of liberal governmentality. I will elucidate the features of this governmentality as it relates to the American context, but it should be kept in mind that debt was important for the

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<sup>73</sup> Hartman, *Scenes of Subjection*, 133.

<sup>74</sup> Brinckerhoff, *Advice to Freedmen*, 5.

<sup>75</sup> Hartman, *Scenes of Subjection*, 118.

transnational retooling of liberal governmental strategies for maintaining white supremacy and European domination in colonial and postcolonial contexts.

To reconfigure the black man as an individual in the wake of the Civil War meant placing all blame and responsibility for his highly precarious social, economic, and political position in the fractious American nation on his shoulders alone. This nascent individuality, marked by blackness, the sign of a “dependent and enslaved race,” is described by Hartman as a “burdened individuality.”<sup>76</sup> “Burdened individuality” conveys the antagonistic production of a raced individual subject: at once “freed from slavery and free of resources, emancipated and subordinated, self-possessed and indebted, equal and inferior, liberated and encumbered, sovereign and dominated, citizen and subject.”<sup>77</sup>

*Advice to Freedmen* and manuals like it contributed to a governmentality that produced this burdened individuality by treating the enormous problems following in the wake of slavery— psychological trauma, economic crisis, social dislocation, political suppression and rampant white prejudice and violence— as if they could all be solved through the development of the conduct and character of the individual freedman.<sup>78</sup> Former slaves would have to be “abstinent in the present in the hopes of securing the future.”<sup>79</sup> This left the period of repayment for the gift of freedom subject to compounding interest, and, as we will see, ultimately infinite and irredeemable. Nguyen remarks that “what is given” under the auspices of liberal empire, whether it be sovereignty, freedom or virtue, “is

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<sup>76</sup> Ibid.

<sup>77</sup> Ibid., 117.

<sup>78</sup> Ibid., 133.

<sup>79</sup> Ibid., 131.



always ‘to come’ because the debt extends endlessly.”<sup>80</sup> Emancipation thus offers a twist on a classic legal maxim: freedom delayed is freedom denied.

This brings us to a second major feature of the strategic deployment of debt in post-abolition liberal governmentality. Instituting a debt gives the “creditor” the legitimate power to discipline the debtor’s conduct. The debt instituted by the gift of freedom was to be paid back through disciplined conduct, the conduct of a docile, rational and “cheerful” economic subject in the making. One could say that the former slave was recaptured as soon as she was set free. The debt of emancipation contributed to a project of subject formation that managed the conduct of former slaves by subjecting them to new forms of discipline and inciting them to self-discipline through combinations of hope, guilt, and brute force. According to Nguyen, debt’s power of subjection comes from its ability to maintain a tight hold on the debtor. It maintains this hold by figuring the indebted subject as liable for past actions in order to shape her “possible desires, movements, and futures” in ways conducive to repayment.<sup>81</sup> Emancipation’s contingent promise of freedom thus created an awesome power of subject formation and social control. As W. E. B. Du Bois notes in *Souls of Black Folk*:

Away back in the days of bondage they thought to see in one divine event the end of all doubt and disappointment; few men ever worshipped Freedom with half such unquestioning faith as did the American Negro for two centuries. To him, so far as he thought and dreamed, slavery was indeed the sum of all villainies, the cause of all sorrow, the root of all prejudice; Emancipation was the key to a promised land of sweeter beauty than ever stretched before the eyes of wearied Israelites.”<sup>82</sup>

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<sup>80</sup> Nguyen, *The Gift of Freedom*, 9.

<sup>81</sup> Ibid., 8-9.

<sup>82</sup> Du Bois, *Souls*, 40.

The agents of Reconstruction harnessed former slaves' affectively intense faith in the promise of freedom and fused it to the imperative to take individual responsibility to repay the debt owed for the blood and treasure said to have been spent on their behalf. Taking responsibility meant cultivating and conducting himself in the ways desired by his new creditors. As *Advice to Freedmen* insists, "Now, my friend, just repeat that wise saying over and over until you get it by heart. Remember it. 'THE SUREST WAY TO IMPROVE ONE'S CONDITION IS TO IMPROVE ONE'S SELF [author's emphasis].'"<sup>83</sup> The debt of freedom demands self-improvement, i.e., the cultivation of a particular form of subjectivity and conduct as its recompense.

I will note here a few parallels between the abolition of slavery in the European colonies and the United States and shifts in the operations of power that Foucault traces in *Discipline and Punish*. First, Foucault maps a shift from the eighteenth to the nineteenth century in criminal punishment where the model of the "superfluous, gratuitous, spectacular, and wasteful sovereign power" that exacts torture on the body of the criminal gives way to a "technology of subtle, effective, economic powers" that seeks to both reform the criminal and appropriate his labor.<sup>84</sup> With the rise of social contract theory, crimes are no longer considered as committed against the sovereign, but against "society"; hence the notion of the criminal as owing a "debt to society."<sup>85</sup> The convict now appeared not as the sovereign's property, but as a "slave at the service of all" whose body ought to be used and appropriated to pay back the debt he owes.<sup>86</sup> Here we see the

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<sup>83</sup> Brinckerhoff, *Advice to Freedmen*, 12.

<sup>84</sup> Foucault, Michel, and Alan Sheridan. *Discipline and Punish: The Birth of the Prison*. 2. Vintage Books ed. New York, NY: Vintage Books, 1995, 102.

<sup>85</sup> *Ibid.*, 92.

<sup>86</sup> *Ibid.*, 108.

dynamic by which the sovereign's subject or slave/property becomes a free member of civil society through the social contract, and then plunges back into a form of slavery once he is branded a criminal/debtor. It is important to note here the thin line separating the slave, the debtor, and the criminal.

Second, this discursive shift corresponded with the mounting influence of the bourgeoisie who sought reforms in the administration of justice that would reduce corruption and waste, police theft, and above all aid the disciplining the burgeoning industrial labor force. Foucault notes a widespread fear of the poor and lower classes who had become outlaw targets of a newly constituted disciplinary power that sought to fine tune the machinery of justice to allow for "a closer penal mapping of the social body."<sup>87</sup> From the police and criminal justice system, to the army, to hospitals, schools and factories, Foucault argues, "The disciplines established an 'infra-penalty'; they partitioned an area that the laws had left empty; they defined and repressed a mass of behavior that the relative indifference of the great systems of punishment had allowed to escape."<sup>88</sup> He details how the disciplinary institutions subjected workers, soldiers, pupils, and so on to "a whole micro-penalty" of time (lateness, absences, interruptions), of activity (inattention, negligence, lack of zeal), of behavior (impoliteness, disobedience), of speech (idle chatter, insolence), of the body ('incorrect' attitudes, irregular gestures, lack of cleanliness), and of sexuality (impurity, indecency)<sup>89</sup> This "micro-penalty" disciplining everyday conduct was essential to managing populations in space and time in

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<sup>87</sup> Ibid., 78.

<sup>88</sup> Ibid., 178.

<sup>89</sup> Ibid.

ways that expanded the productive forces of a growing capitalist economy while maintaining the boundaries of an unequal political and social order.

What Foucault does not discuss is how this shift also corresponds to the formal abolition of slavery, mounting white fears about the “proximate dangers” presented by the uncontrolled black populations in their midst, and ensuing efforts on the part of colonial managers, plantation owners, government bureaucrats and entrepreneurs to develop the “infra-powers” necessary for transforming former slaves into an itinerant and docile source of labor.<sup>90</sup> Hartman emphasizes how abolitionist discourse that had invoked a natural right to life and liberty in the antebellum years became, in the postbellum period, much more ambivalent, elitist and racist, emphasizing a contractual notion of free labor and inordinately concerned with the cultivation of discipline and manhood in the freed.<sup>91</sup> Du Bois notes that the stated goal of the Freedmen’s Bureau in the postbellum South was “to introduce practicable systems of compensated labor,” in which “laborers must be free to choose their employers . . . and there was to be no peonage or forced labor.”<sup>92</sup> Efforts were made to confront both the “tyrant” slaveholder who sought to return the freedmen to a condition of slavery, and the “idler” freedmen who supposedly viewed freedom as “perpetual rest.”<sup>93</sup> Manuals like *Advice to Freedmen* attempted to not only figure the freedman as a debtor who must return to work, but to incite blacks to discipline themselves and the quality of their work and lifestyle. In a Foucauldian sense, the goal was to “normalize” blacks to the standards of a “rational, docile, and productive working class,” shaping them into “ascetic and acquisitive” subjects, while eradicating all

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<sup>90</sup> Hartman, *Scenes of Subjection*, 161.

<sup>91</sup> Ibid., 137.

<sup>92</sup> Du Bois, *Souls*, 51, 55.

<sup>93</sup> Ibid., 55-6.

“intemperate notions” through education, religion, and, if necessary, compulsion.<sup>94</sup>

However, as evidenced in *Advice to Freedmen*, and expressed by Hartman, “three centuries of black servitude could not relieve the nation’s anxiety about the productivity of black labor or assuage the fear that the freed would be idle if not compelled to work.”<sup>95</sup>

Hartman notes in reference to the work of David Brion Davis that Jeremy Bentham’s Panopticon, which Foucault singles out as the great “laboratory” and diagram of modern disciplinary power,<sup>96</sup> is itself a “parodic intensification of the ideals of plantation management.”<sup>97</sup> Within the transatlantic capitalist system, strategies for labor management were traded from plantation to factory, suggesting that the agents seeking to implement systems of wage labor always had one eye trained on slavery.<sup>98</sup> Moreover, as Lisa Lowe argues, contrary to humanist narratives of morality and progress, the abolition of slavery, at least in the British Empire, can be viewed as “a pragmatic attempt to stave off Black revolution and to resolve difficulties in the sugar economy resulting from the inflexibility of slave labor.”<sup>99</sup> She cites documentary evidence that the British Colonial Office was worried about a repeat of the Haitian Revolution<sup>100</sup> in its own West Indian

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<sup>94</sup> Hartman, *Scenes of Subjection*, 127-8.

<sup>95</sup> *Ibid.*, 127.

<sup>96</sup> Foucault, *Discipline and Punish*, 204-5.

<sup>97</sup> Hartman, *Scenes of Subjection*, 138.

<sup>98</sup> *Ibid.*, 138.

<sup>99</sup> Lowe, *The Intimacies of Four Continents*, 23.

<sup>100</sup> The Haitian Revolution, the only successful slave rebellion in modern history, occurring between 1791 and 1803 led by Toussaint L’Ouverture, Jean-Jacques Dessalines and others, utterly shocked the European world. In the words of historian Michel-Rolph Trouillot, the Haitian Revolution “entered history with the peculiar characteristic of being unthinkable even as it happened,” *Silencing the Past*, 73. France demanded reparations from Haiti for the cost of its military attempts to re-enslave the black population and for planters’ loss of their “property,” which Haiti paid in 1825 in exchange for French recognition of Haiti as an independent nation-state. See James, C. L. R. *The Black Jacobins; Toussaint L’Ouverture and the San Domingo Revolution*. New York: Vintage Books, 1963; Leyburn, James Graham. *The Haitian People*. New Haven: Yale University Press, 1966; Trouillot, Michel-Rolph. *Silencing the Past: Power and the Production of History*. Boston, Mass: Beacon Press, 1995; Scott, David. *Conscripts of Modernity: The*

colonies, seeing in abolition an expedient solution to increase its revenues through more efficient means of extracting profit from free labor.<sup>101</sup> One way that this concern instantiated itself in practice was through the supplementation of black slave labor with, in the words of the Colonial Office, a “free race . . . who could be kept distinct from the Negroes”; i.e., imported Chinese indentured laborers who could serve as a “figure” of freedom, while allowing planters to continue benefitting from a range of intermediate forms of coerced labor.<sup>102</sup> In this way, the liberty of contract granted to former slaves in the United States as well as to Chinese and South Asian “coolie” laborers throughout the British Empire, served primarily to entrap them in systems of debt bondage.<sup>103</sup>

This leads us to consider the third dimension of debt as a feature of liberal governmentality: its deployment to enact and legitimate a new racialized regime of involuntary servitude, which, following Hartman, I will refer to as “indebted servitude.”<sup>104</sup> Indebted servitude describes the racial governmentality associated with the reorganization of the capitalist political economy in the postbellum American South. The deployment of the bonds of debt through the extension of the freedom of contract and credit to the newly minted black citizens were the hallmarks of this regime. Understanding the life conditions of postbellum southern blacks in terms of “indebted servitude” serves, in Hartman’s words, “to amplify the constraints of conscience (discipline internalized and lauded as a virtue), the coercion and compulsion of the free labor system, and the 'grafting of morality onto economics' in the making of the dutiful

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*Tragedy of Colonial Enlightenment*. Durham: Duke University Press, 2004; Girard, Philippe R. *The Slaves Who Defeated Napoleon: Toussaint Louverture and the Haitian War of Independence, 1801-1804*. Atlantic Crossings. Tuscaloosa: University of Alabama Press, 2011.

<sup>101</sup> Lowe, *The Intimacies of Four Continents*, 23-4.

<sup>102</sup> Ibid.

<sup>103</sup> Ibid., and Hartman, *Scenes of Subjection*, 139.

<sup>104</sup> Hartman, *Scenes of Subjection*, 126.

free laborer and similarly to illuminate the elasticity of debt in effecting peonage and other forms of involuntary servitude."<sup>105</sup> It also seeks to capture how blacks were introduced to the exchange relations of the “free market” through, on the one hand, the moral deployment of the debt of emancipation that demanded their labor and proper conduct as repayment and on the other, coercive contractual arrangements that effectively sanctioned their re-enslavement through an interminable extension of credit.<sup>106</sup>

The whitewashing of slavery’s past, the fashioning of former slaves as indebted beings, responsible for their own fates, onerous labor and share contracts, and the ever-present threat of terroristic white violence combined to effectively create the conditions for the next installations of oppression, this time in the form of debt peonage and convict labor. To quote Union General Alfred H. Terry, the postbellum situation for blacks in the South fast became “a condition of servitude worse than that from which they have been emancipated—a condition which will be slavery in all but its name.”<sup>107</sup> Blacks who sought to practice freedom as mobility, land ownership, and self-sufficiency—true to the Republican ideal of the self-sufficient yeoman farmer—were discouraged, attacked, and eventually criminalized as new means of managing black “freedom” were instituted.<sup>108</sup> These compelling means centered on arrangements that substituted the creditor-debtor relation for the master-slave relation. As Du Bois puts it in his description of the “Black Belt” region of Georgia between the end of the Civil War and the period of his own observation in 1890, “The keynote of the Black Belt is debt; not commercial credit, but

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<sup>105</sup> Ibid.

<sup>106</sup> Ibid., 131.

<sup>107</sup> Quoted in Hartman, *Scenes of Subjection*, 145.

<sup>108</sup> Ibid., 127, and Foner, Eric. 2014. *Reconstruction: America’s Unfinished Revolution, 1863 - 1877*. Updated edition. New American Nation Series. New York, NY: HarperPerennial, 109.

debt in the sense of continued inability on the part of the mass of the population to make income cover expense.”<sup>109</sup> The U.S. government had reneged on its promise to distribute land to the former slaves, and intimidation and violence by whites made it nearly impossible for blacks who had managed to save enough money to purchase land.<sup>110</sup> Despite conditions of extreme necessity, many former slaves avoided returning to labor on the plantations for a fixed annual wage—the most prominent contractual labor arrangement directly after the war promoted by the Freedmen’s Bureau—because this arrangement too closely resembled the gang labor conditions of slavery.<sup>111</sup> Instead, many entered into share contracts with white landowners to maintain some semblance of freedom from white supervision in their daily lives. The hope was to make enough to eventually buy property of their own.<sup>112</sup> Initially, with cotton prices inflated due to wartime shortages, sharecropping looked like the best compromise between black laborers and white planters, allowing both certain advantages. For the freedman it offered “an escape from gang labor and day-to-day white supervision,” while for the planter it stabilized the workforce and tied the sharecropper and his family to the land for the duration of the contract. It also provided “a way to reduce the cost and difficulty of labor supervision, share risk with tenants, and circumvent the chronic shortage of cash and credit.”<sup>113</sup> As Eric Foner notes, postponing payment until the end of the year and paying in a share of the crop instead of cash can essentially be understood as “an interest-free

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<sup>109</sup> Du Bois, *Souls*, 118.

<sup>110</sup> Ransom, Roger L., and Richard Sutch. 2001. *One Kind of Freedom: The Economic Consequences of Emancipation*. 2nd ed. Cambridge [England] ; New York: Cambridge University Press, 86-7.

<sup>111</sup> Ibid.

<sup>112</sup> Ibid., 97, and Foner, *Reconstruction*, 109.

<sup>113</sup> Foner, *Reconstruction*, 174.



extension of credit from employee to employer, as well as a shifting of part of the risk of farming to the freedmen.”<sup>114</sup>

This *de facto* assumption of risk by black sharecroppers backfired when cotton prices collapsed soon after the war. The collapse in prices created an enormous debt crisis that bankrupted many small farmers and plantation owners. It contributed to the rise of a local merchant class whom Du Bois describes as “part banker, part landlord, part contractor, and part despot.”<sup>115</sup> Sharecroppers would have to set aside between a quarter to a third of their yield to pay rent to the landowner, with the rest spent to cover interest and principal on food and planting supplies purchased from local merchants on credit at the beginning of the planting season.<sup>116</sup> Merchants essentially operated like a company store, selling farmers food, supplies, medical care, etc., on credit; the better the crops did, the more tenants were encouraged to borrow.<sup>117</sup> Moreover, any attempt by blacks to diversify their crops was impeded because cotton was the sole currency accepted as payment by landlord or merchant under this system. High cotton production was necessary to maintain one’s line of credit, but this overproduction of a cash crop made farmers even more dependent on merchants for food and supplies.<sup>118</sup>

With cotton prices depressed the majority of tenants would end the year either barely breaking even or in debt, meaning they had worked the entire year for “board and clothes.”<sup>119</sup> “So skillfully and so closely has he [the merchant] drawn the bonds of the law about the tenant, that the black man has often simply to choose between pauperism

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<sup>114</sup> Ibid., 172.

<sup>115</sup> Du Bois, *Souls*, 123.

<sup>116</sup> Ibid., 113.

<sup>117</sup> Ibid., 123.

<sup>118</sup> Ibid., 125. See also Ransom and Sutch, *One Kind of Freedom*.

<sup>119</sup> Du Bois, *Souls*, 125.

and crime.”<sup>120</sup> Thus, Du Bois helps us see how Blacks, figured as existentially indebted to whites for the gift of their freedom, became materially indebted in fact. The entreaties on the part of the Freedmen’s Bureau and its agents for blacks to be thrifty, austere, diligent, pious and hopeful proved wholly inadequate for achieving a truly unencumbered freedom. Impeded by racism and violent intimidation that made it almost impossible in practice to exercise their *de jure* right to own property, beholden to merchants and landlords who restricted their ability to farm the land as they saw fit and charged them usurious levels of rent and interest, and assuming enormous risk by tying their livelihoods to commodity price fluctuations, emancipated Southern black families soon became locked into a system of debt peonage.

Despite its importance, sharecropping encompassed only one vector of the tangled field of power relations governing black labor and life in a way resulting in indebted servitude and dispossession. The so called “Black Codes”—statutes passed soon after emancipation in nearly every former Confederate state targeting African Americans’ conduct, ranging from labor contracts, work activity, migration and civil and legal rights to bodily gestures and speech patterns to private life and sexuality—were another crucial element that instituted what Hartman characterizes as a “micropenality of everyday life.”<sup>121</sup> Eric Foner describes the Codes as an attempt to establish the state in the place of the former master by devising a legal means of subordinating “a volatile black population that regarded economic independence as a corollary of freedom and the old labor discipline as a badge of slavery.”<sup>122</sup> Du Bois describes them as “an astonishing affront to

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<sup>120</sup> Ibid., 124.

<sup>121</sup> Du Bois, *Black Reconstruction*, 167, and Hartman, *Scenes of Subjection*, 145-7.

<sup>122</sup> Foner, *Reconstruction*, 198.

emancipation” and a “plain and indisputable attempt on the part of the Southern states to make Negroes slaves in everything but name.”<sup>123</sup>

For our purposes, the most important provisions of the Black Codes involved the compulsion to sign labor contracts at the beginning of the year, making it a crime to be without a contract or to leave work before its term expired.<sup>124</sup> Moreover, the Black Codes effectively destroyed the advantages blacks might derive from a free market in labor by making it illegal for them to seek out better labor conditions through movement between counties or states and by imposing “antienticement” provisions punishing competition among white employers for black labor.<sup>125</sup> If a black man or woman attempted to break his or her contract or was deemed in any way to fit the description of a “vagrant”—defined as “the idle, disorderly, or those who ‘mispend what they earn’—they could be arrested (in many states, not just by an officer of the law, but by any white person) fined, whipped, pilloried or sentenced to involuntary plantation labor for up to a year.<sup>126</sup>

While the Codes initially targeted blacks overtly, after they were challenged and overturned by Federal Reconstruction authorities, states adopted colorblind language that maintained the discriminatory application of the laws to the black population alone.<sup>127</sup> These codes, with their detailed regulation of black bodies, not only bolstered white sovereign and juridical rule, but offered legitimating cover for extrajudicial forms of disciplinary power and violence that severely limited almost all expression of black freedom. As Union general and statesman Carl Schurz observed during his travels

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<sup>123</sup> Du Bois, *Black Reconstruction*, 167.

<sup>124</sup> *Ibid.*, 168-171, and Foner, *Reconstruction*, 199.

<sup>125</sup> Foner, *Reconstruction*, 199.

<sup>126</sup> *Ibid.*, 200.

<sup>127</sup> *Ibid.*, 593.

throughout the South during Reconstruction, “A negro is called insolent whenever his conduct varies in any manner from what a southern man was accustomed to when slavery existed.”<sup>128</sup> Thus any “unbecoming” deviations in black conduct from the norms of white supremacy including “one’s dress, demeanor, movement through public space, tone of voice and companions” were severely policed and punished with penalties ranging from fines, to involuntary servitude, to violent intimidation by the Ku Klux Klan, to the murderous spectacle of lynching.<sup>129</sup>

The final dimension cementing white racial domination of the indebted black citizenry, was the convict-leasing system that involved a massive collusion between local and states governments and private corporations in the commodification of involuntary black labor. Focusing solely on agricultural labor obscures the importance of burgeoning southern industrial operations in coal mining, lumber and turpentine, railroad construction and other industries that had begun leasing slaves during the war and whose postwar boom relied heavily on black convict labor.<sup>130</sup> Convict-leasing—the process by which local and state governments leased their prisoners to private companies for a share in the profits of their labor—became a prevalent source of government revenue, private capital accumulation and a tool for politically and economically resubordinating African Americans between end of the Civil War and the 1940s.<sup>131</sup> The convict-leasing system relied on several interlocking features of the legal order and Southern political economy that contributed to its mass criminalization of black life. First, the Thirteenth Amendment abolishing slavery contained a loophole that “specifically permitted involuntary servitude

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<sup>128</sup> Quoted in Hartman, *Scenes of Subjection*, 148.

<sup>129</sup> *Ibid.*, 148.

<sup>130</sup> Blackmon, *Slavery by Another Name*, 2012, 49.

<sup>131</sup> *Ibid.*

as a punishment for ‘duly convicted’ criminals.”<sup>132</sup> Second, the contract requirements and broad vagrancy restrictions of the Black Codes made it extremely easy for local justices of the peace, sheriffs, or almost any white person to arrest and imprison African Americans. As Blackmon explains, whites very soon realized that “the combination of trumped-up legal charges and forced labor as punishment created both a desirable business proposition and an incredibly effective tool for intimidating rank-and-file emancipated African Americans and doing away with their most effective leaders.”<sup>133</sup> Third, in most southern states county sheriffs, deputies, justices of the peace and even witnesses were not salaried. They were paid by fees charged to those who entered the court system.<sup>134</sup> These fees were levied on the accused whether or not they were found guilty. In a sharecropping economy in which blacks were paid in shares of cotton rather than cash and often had little or no savings, simply being caught up in the “justice” system was enough to condemn a freedman to involuntary servitude in a mine shaft or lumber camp.<sup>135</sup> A thriving market in prison labor soon emerged with companies lining up to access this new source of forced labor. They contracted not only with state prisons, but directly with county sheriffs, paying their fees and offering a share of future profits.<sup>136</sup>

Conditions for leased convict laborers, for instance at J. W. Comer’s Eureka mine complex in Alabama, were, almost unbelievably, more brutal than under the slave regime, with accounts of grueling physical labor, cramped and louse-infested living

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<sup>132</sup> Ibid., 53.

<sup>133</sup> Ibid., 55.

<sup>134</sup> Ibid., 62.

<sup>135</sup> Ibid., 62-3.

<sup>136</sup> Ibid., 64-5.

conditions, starvation, chaining, whipping, and other forms of torture.<sup>137</sup> As one prisoner leased to the Eureka mines reported, “Day after day we looked Death in the face & was afraid to speak.”<sup>138</sup> The brutal conditions of the convict-leasing apparatus reinforced and worsened the situation of black debt peonage, with white farmers and creditors “swearing out criminal warrants” accusing indebted black sharecroppers or tenant farmers of fraud rather than threatening eviction.<sup>139</sup> To avoid the more dire prospect of being sent to a labor camp, the debtor would “confess judgment”—confessing responsibility for the crime before trial (an early precursor of the “plea deal”)—allowing his or her employer to act as a “surety” by paying any criminal penalties and forfeiting a bond that would, in return, be paid back by the debtor’s uncompensated work for as long as it took to repay.<sup>140</sup> For the period of the debt’s repayment, which could be extended indefinitely through the addition of fees for clothing, medical expenses, broken tools and so on, the formerly autonomous sharecropper was now considered a “convict” laborer, bound by debt to the landowner, and legally subject to criminal treatment like shackling and the lash; a slave in all but name.<sup>141</sup>

As Du Bois describes it, the state of affairs created by this system of indebted servitude was actually worse than slavery in the respect that the interest the master had in taking care of his valuable slave property was now gone. It was replaced by state and local law enforcement that viewed criminalization as a source of revenue and by companies with “no other interest than to wring out of [the convict], without regard to his

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<sup>137</sup> Ibid., 52, 70-1.

<sup>138</sup> Quoted in Blackmon, *Slavery by Another Name*, 71.

<sup>139</sup> Ibid., 66.

<sup>140</sup> Ibid., 66-7.

<sup>141</sup> Ibid., 67.

ultimate condition, all that was possible during the limited term of his thralldom.”<sup>142</sup> Du Bois suggests that nowhere else in the modern world was there such an open and conscious effort to deploy the criminal justice apparatus for “deliberate social degradation and private profit as in the South since slavery.”<sup>143</sup> In addition, Blackmon and Du Bois both note that the racialized convict-leasing system was used as a tool not only to control black workers, but to discipline the white labor market and undermine union struggles for better wages, while destroying the prospect of class solidarity across racial lines.<sup>144</sup>

#### **IV. Debt and the Denigration of Blackness**

Indebted servitude in the postbellum South was instituted and maintained through physical violence and coercion, but these were linked to networks of power/knowledge governing the conduct of subjects fashioned simultaneously as blacks, debtors and criminals. Moreover, it is important to emphasize that the regime of indebted servitude over the rural black population in the South coexisted nationally and transnationally with similar regimes governing other racialized indentured laborers imported into both the United States and the British colonies. A crucial dimension of racial capitalism involves the management of labor and extraction of value through the joint formations of debt and racial identity. Emphasizing this point, Lisa Lowe insists, “capitalism expands not through rendering all labor, resources, and markets across the world identical, but by precisely seizing upon colonial divisions, identifying particular regions for production and others for neglect, certain populations for exploitation and still others for

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<sup>142</sup> Du Bois, *Black Reconstruction*, 179.

<sup>143</sup> Ibid., 698.

<sup>144</sup> Ibid., 700, and Blackmon, *Slavery by Another Name*, 72-3.

disposal.”<sup>145</sup> Thus, debt played a major part in the racial project of refashioning the post-abolition black subject and the cultural meaning of blackness, keeping in mind that a racial project is a political projects that use race to represent, organize and govern bodies and social relations.

Here we may gain insight from Coulthard’s reading of Frantz Fanon which argues that colonial-capitalist hegemony proceeds just as much through the production of “colonized subjects” as it does through overt violence.<sup>146</sup> In a famous passage in *Black Skin, White Masks*, Fanon analyzes his encounter with a white child who sees him and exclaims, “Look, a Negro! . . . Mama, see the Negro! I’m frightened!”<sup>147</sup> Fanon explains how he goes from feeling like an active lively subject, a “man among men,” to being, under the white gaze, an “object in the midst of other objects . . . [like] a chemical solution is fixed by a dye.”<sup>148</sup> The white child’s reaction bursts Fanon’s image of himself apart and puts him back together as a new self. Fanon details his experience of this process as it operated, in spite of his attempts to intellectualize race, in his day-to-day encounters with whites:

It was not really dramatic. . . And then the occasion arose when I had to meet the white man’s eyes. An unfamiliar weight burdened me. The real world challenged my claims. In the white world the man of color encounters difficulties in the development of his bodily schema. Below the corporeal schema I had sketched a historico-racial schema. The elements that I used had been provided for me . . . by the other, the white man, who had woven me out of a thousand details, anecdotes, stories.”<sup>149</sup>

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<sup>145</sup> Lowe, *The Intimacies of Four Continents*, 150.

<sup>146</sup> Coulthard, *Red Skin, White Masks*, 16.

<sup>147</sup> Fanon, Frantz, and Charles Lam Markmann. 1968. *Black Skin, White Masks*. New York: Grove Press, 112.

<sup>148</sup> *Ibid.*, 109.

<sup>149</sup> *Ibid.*, 110-12.



Just as the white child had internalized and expressed derogatory racial categories and terminology, Fanon had absorbed what he calls a “historico-racial schema,” feeling its mark and its weight. The white gaze made him feel shame at being recognized not as a man but as a “Negro.”<sup>150</sup>

Coulthard highlights Fanon’s insight that over time the combination of everyday practices that produce racialized/colonized subjects and the structural inequalities they express and support come to be viewed as part of the natural order of things.<sup>151</sup> Focusing on the transition from slavery to freedom and the deployment of debt therein allows us to trace very important changes in the capitalist order of things that coincide with the shifts in liberal governmentality producing “black” and “white” as operative racial categories. As I noted earlier, we can trace the slippage that develops between the slave, the debtor, and the criminal in liberal discourse as these identifying markers start to collapse together with the abolition of slavery and the advent of a new set of interrelated practices and routines—that include but are in no way limited to sharecropping, the Black Codes and the convict-leasing system (in the American context)—that sought to manage and restrict the conduct of former slaves, to maintain their dispossession and forcibly extract their labor, and to shape their subjectivity in racialized psycho-social terms. These transformations in the networks of power/knowledge working on formerly enslaved populations in the American South helped to catalyze a shift in the significance of blackness from being a badge of slave status to being, in Fanon’s terms, a “corporeal malediction” advertising indebtedness and criminality.<sup>152</sup> In this sense, the gift of

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<sup>150</sup> Ibid., 111.

<sup>151</sup> Coulthard, *Red Skin, White Masks*, 32-3.

<sup>152</sup> Fanon, *Black Skin, White Masks*, 111.

emancipation with its ensuing transfer of debts and responsibilities to the freedmen and the concomitant transformation of labor regime from chattel slavery to one largely characterized by debt peonage, significantly contributed to the “thousand details, anecdotes, [and] stories” that altered the “historico-racial schema” of blackness as it entered the era of modern industrial capitalism.<sup>153</sup>

This shift dovetailed with what Hartman calls a transition in “the register of blackness from status race—blackness ascribing slave status—to formal race—a ‘neutral’ conception of race undergirded by notions of biological and cultural difference.”<sup>154</sup> Indebted servitude coincided with the prominent rise in the late nineteenth century of a scientific/anthropological racism, which sought to naturalize racial difference as something in-grown and attributable to “objective” observations of immutable biological or cultural differences. Both indebted servitude and scientific racism extended and perpetuated the “stigma of inferiority based on race.”<sup>155</sup> Drawing on the evidence presented thus far in this chapter, it seems reasonable to conclude that not only the stigma of slavery but the history of travestied emancipation, indebted servitude and systematic criminalization formatted the social terrain in ways that aided and abetted a transformed liberal racism that mapped Blackness onto “backwardness” and qualities characteristic of the profligacy detested by those infused with the capitalistic ethos. Freed slaves were actively disallowed by the Federal government, state authorities, and a hostile white citizenry from becoming landowning, self-sufficient yeoman farmers – the very goal and ideal of freedom expressed in the recorded testimony of former slaves.<sup>156</sup> Instead,

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<sup>153</sup> Ibid.

<sup>154</sup> Hartman, *Scenes of Subjection*, 162.

<sup>155</sup> Ibid.

<sup>156</sup> Ibid., 136, and Foner, *Reconstruction*, 109.

through law, education, selective opportunities, deceit, intimidation, legalized force, and extra-legal violence, many African Americans became entrapped in perpetual conditions of indebtedness and/or were captured and criminalized in a nexus of predatory policing and imprisonment for profit. It was under these historical circumstances that Blackness came to be associated with unbecoming descriptors like “shiftless,” “careless,” “lazy,” “ignorant,” “irrational,” “irresponsible,” “sullen,” “delinquent” and so on, denoting an unproductive, untrustworthy and dangerous type of person, prone to committing the greatest sin imaginable in an era of triumphant capitalist expansion : viewing freedom as “perpetual rest.”

Du Bois makes note of this phenomenon in *Souls* when he addresses the “car-window sociologist” whose cursory visit to the South and observation of black farm laborers confirms black “shiftlessness”<sup>157</sup> He counters that, if observed more closely, it will be discovered that these men are indeed hard and willing workers; they have little incentive to work “beyond the mere pleasure of physical exertion” and display “a fine disdain for mere cash” because in their circumstances diligence and acquisitiveness simply do not pay.<sup>158</sup> Indeed, Du Bois relates further:

They are careless because they have not found that it pays to be careful; they are improvident because the improvident ones of their acquaintance get on about as well as the provident. Above all, they cannot see why they should take unusual pains to make the white man’s land better, or to fatten his mule, or save his corn. On the other hand the white land-owner argues that any attempt to improve these laborers by increased responsibility, or higher wages, or better homes, or land of their own, would be sure to result in failure. He shows his Northern visitor the scarred and wretched land; the

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<sup>157</sup> Du Bois, *Souls*, 128. “Shiftless” is defined in the *Oxford Dictionary* as: “(Of a person or action) characterized by [laziness](#), [indolence](#), and a lack of [ambition](#): a shiftless lot of [good-for-nothings](#).” [http://www.oxforddictionaries.com/us/definition/american\\_english/shiftless](http://www.oxforddictionaries.com/us/definition/american_english/shiftless)

<sup>158</sup> Du Bois, *Souls*, 128.

ruined mansions, the worn-out soil and mortgaged acres, and says, This is Negro freedom!<sup>159</sup>

Emancipation replaced slavery with the obligation to work off an irredeemable debt, thereby undermining in practice the conduct and demeanor it demanded in principle. The historical events of the postwar periods of Reconstruction and Redemption produced an environment in which the freed slaves, struggling mightily to live their lives in accordance with the American dream of freedom they were promised, were bound to fail – economically, politically, and by the sanctimonious double-standard of white morality. These structural failures, largely the result of continued attempts to maintain white superiority and control, were then blamed on the individual failings or collective racial flaws of the black population; thus they were used to solidify white prejudice and the need for additional measures to discipline and control Blacks.

The constant duress of being unable to pay the landowner or merchant at the end of the season, having the product of one's labor appropriated by creditor and landlord in good times and bad, boredom and monotonous work with no time or money for leisure, the constant risk of arrest and thralldom as a convict laborer, and the ever-present feeling of objectification through the "contempt and pity"<sup>160</sup> of the white gaze: these accumulated experiences left an indelible mark on Black American subjectivity in the years after slavery. However, as Du Bois is keen to point out: many blacks endured

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<sup>159</sup> Ibid.

<sup>160</sup> I draw on Fanon's analysis of the gaze in *Black Skin, White Masks*, but the expression "contempt and pity" is taken from the famous passage on the "veil" and "double consciousness" in *Souls of Black Folk*: "After the Egyptian and Indian, the Greek and Roman, the Teuton and Mongolian, the Negro is a sort of seventh son, born with a veil, and gifted with second-sight in this American world, —a world which yields to him no true self-consciousness, but only lets him see himself through the revelation of the other world. It is a peculiar sensation, this double-consciousness, this sense of always looking at one's self through the eyes of others, of measuring one's soul by the tape of a world that looks on in amused contempt and pity." Du Bois, *Souls*, 38.

against all odds and were able to obtain land and become free peasant-proprietors while even more continued to work tirelessly as paragons of the liberal virtues of thrift, diligence, sacrifice and faith in God, hoping to one day be delivered from debt bondage.<sup>161</sup>

Thus, this enduring derogatory image of blackness at least in part derives from hostile white observations and depictions of the *effects* of indebted servitude on the black population beginning in the Reconstruction era. These effects have been severed from their particular and historically situated *causes* and reconfigured as the in-born and timeless characteristics of the black race. Put differently we might say, following Miranda Joseph, that race operates like a form of fetishism, in which the “empirically visible object”—the black body—is fetishized as the source of perceived pathology, obscuring the historically specific relations of power/knowledge constitutive of actual inequalities and power asymmetries between populations.<sup>162</sup> In this way, the contours of race and a racist social order are normalized and perpetuated, at least in part, through a canny strategy of public forgetting, disavowal, and myth-making by the dominant group in order to erase the evidence of the power struggles productive of the differences and inequalities that only later get mapped onto race.

## V. Conclusion

My goal in undertaking this analysis has been to draw together Marxian and Foucauldian insights and conceptual tools with those of political theorists in the Black

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<sup>161</sup> Ibid., 132.

<sup>162</sup> Joseph, Miranda. 2014. *Debt to Society: Accounting for Life under Capitalism*. Minneapolis: University of Minnesota Press, 33.

radical tradition and indigenous studies including Du Bois, Robinson, Hartman, Lowe, and Coulthard, in order to theorize the historical intersection of race and debt as a significant aspect of the strategic reorganization of liberal governmentality and racial capitalism in the United States. This hybrid theoretical framework allows us to identify important ways in which creditor-debtor power relations shaped public memory, modes forced labor and wealth extraction, and the contours of blackness and anti-black racism in the post-bellum American South. To go further, however, it is also my contention that this analysis of the racialized power relations of credit and debt in the 19<sup>th</sup> century is highly relevant (arguably essential) to understanding the political economy and governmentality of today's incarnation of racial capitalism.

Indeed today, in the wake of the 2008 financial crisis, Occupy Wall Street, the conflict between Greece and the EU, and most recently the bankruptcies of Detroit and Puerto Rico, the debt economy, the politics of creditor-debtor relations, and the racial politics of debt have captured the public's attention perhaps more than ever before. Gilles Deleuze argued in the 1990s that the disciplinary "environments of enclosure" subjected to such rigorous theorization by Foucault were "in crisis" and in the process of being replaced by "societies of control."<sup>163</sup> In this new iteration of capitalist society, Deleuze insists, "man is no longer man enclosed, but man in debt."<sup>164</sup> In the next chapter, we will examine the neoliberal politics of indebted control, and philosopher Maurizio Lazzarato's claim that in the 21<sup>st</sup> century "Everyone is a 'debtor,' accountable to and guilty before

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<sup>163</sup> Deleuze, G. 1992. Postscript on the Societies of Control. *October*, 59: 3-7. Retrieved from <http://www.jstor.org/stable/778828>

<sup>164</sup> Ibid.

capital.”<sup>165</sup> With the neoliberal turn to a service, information-technology and finance driven economy in the capitalist metropole, Lazzarato argues, “the creditor-debtor relationship [has become] a centerpiece of politics.”<sup>166</sup>

While these accounts declare the danger of debt as a technique of control now affecting the majority of the population, they fail to mention or engage with debt’s racialized deployment throughout the long history of colonialism and capitalism. Thus, in the chapter that follows, our first goal will be to understand how techniques of political, economic, and social control through credit and debt have both transformed and persisted since the nineteenth century. Our second goal will be to sketch out how, in an age of technological sophistication, high finance, and indirect forms of control, credit and debt continue to intersect with a reinvented politics of anti-black racism, white supremacy, and accumulation by debt and dispossession.

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<sup>165</sup> Lazzarato, M., and Joshua David Jordan. *The Making of the Indebted Man: An Essay on the Neoliberal Condition*. Semiotext(e) Intervention Series 13. Los Angeles, CA: Semiotext(e), 2012, 7.

<sup>166</sup> *Ibid.*, 23.

### 3 | Neoliberal Governmentality and Indebted Control

“Man is no longer man enclosed, but man in debt.”

— Gilles Deleuze<sup>1</sup>

Recent financial and political crises in the United States, such as the 2008 Financial Crisis, the Great Recession and foreclosure crisis, the European sovereign debt crisis, as well as unprecedented municipal and state budget crises have urged scholars to critically reexamine the role of finance in both domestic and international politics. A vast and expanding literature in political theory, political economy, geography, sociology, cultural studies and beyond interprets and explain the roots of recent financial crisis, growing income inequality, and political instability with reference to the phenomenon of “neoliberalism” – normally considered as set of ideas shaping policies and institutions, or as the preeminent ideology of late capitalism.<sup>2</sup> More recently, and especially following the publication of philosopher Maurizio Lazzarato’s *The Making of the Indebted Man*, critical theorists have begun to focus their attention on the nexus of credit and debt working within neoliberal political economy as an essential topic of study and criticism.<sup>3</sup>

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<sup>1</sup> Deleuze, G. 1992. Postscript on the Societies of Control. *October*, 59: 3-7.

<sup>2</sup> See for instance Peck, Jamie, and Adam Tickell. “Neoliberalizing Space.” *Antipode* 34, no. 3 (June 2002): 380–404. <https://doi.org/10.1111/1467-8330.00247>; Harvey, David. *A Brief History of Neoliberalism*. Reprinted. Oxford: Oxford Univ. Press, 2011; Wacquant, Loïc J. D. *Punishing the Poor: The Neoliberal Government of Social Insecurity*. Politics, History, and Culture. Durham [NC]: Duke University Press, 2009; Peck, Jamie. *Constructions of Neoliberal Reason*. 1. publ. in paperback. Oxford: Oxford Univ. Press, 2012; Hackworth, Jason R. *The Neoliberal City: Governance, Ideology, and Development in American Urbanism*. 1. printing. Ithaca, NY: Cornell Univ. Press, 2007; Harvey, David. *The Enigma of Capital: And the Crises of Capitalism*. Pbk. ed. Oxford ; New York: Oxford University Press, 2011; Mirowski, Philip. *Never Let a Serious Crisis Go to Waste: How Neoliberalism Survived the Financial Meltdown*. London ; New York: Verso, 2013; Brown, Wendy. *Undoing the Demos: Neoliberalism’s Stealth Revolution*. 1. ed. New York, NY: Zone Books, 2015. Dardot, Pierre, Christian Laval, and Gregory Elliot. *The New Way of the World: On Neo-Liberal Society*, 2017; and Ascher, Ivan. *Portfolio Society: On the Capitalist Mode of Prediction*. New York: Zone Books, 2016.

<sup>3</sup> See Graeber, David. *DEBT: The First 5000 Years* (Brooklyn: Melville House, 2011); Dienst, Richard. *The Bonds of Debt: Borrowing against the Common Good*. London: Verso, 2011; Joseph, Miranda. *Debt to*



While credit and debt have proven themselves essential engines of innovation in late capitalism—driving economic value creation with the explosion of the financial economy in the 1980s and 90s—this credit-fueled financial revolution has simultaneously brought about conditions of market volatility, financial crisis, wage stagnation, and higher levels of indebtedness for the majority of the American population, with the most damaging effects concentrated among Black and Latino communities.<sup>4</sup> At the same time, the logic of credit and debt, in particular quantitative forms of credit and risk evaluation, have come to figure prominently in widely adopted techniques of management and accounting that, since the mid-1970s, have been deployed to reinvent, refashion, and discipline individuals, populations, institutions, cities, and states as “entrepreneurs of themselves” both within the United States and transnationally.

This chapter contributes to the scholarly literature on neoliberalism, while pushing the debate in new directions in two primary ways. First, I argue that the operations of credit and debt and the power relations between creditors and debtors function at the strategic heart of neoliberalism. In making this argument, I find it useful,

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*Society: Accounting for Life under Capitalism*. Minneapolis: University of Minnesota Press, 2014; Mitropoulos, Angela. *Contract and Contagion: From Biopolitics to Oikonomia*. Wivenhoe, NY: Minor Compositions Press, 2012; Lazzarato, Maurizio. *The Making of the Indebted Man*, trans. Joshua David Jordan. Cambridge, MA: MIT Press, 2012; [Read, Jason], “Debt Collectors: The Economics, Politics, and Morality of Debt,” *Unemployed Negativity* (blog), November 13, 2011, <http://www.unemployednegativity.com/2011/11/debt-collectors-economics-politics-and.html>; Parikka, Jussi. “On Borrowed Time: Lazzarato and Debt,” *Machinology* (blog), November 29, 2011, <http://jussiparikka.net/2011/11/29/on-borrowed-time-lazzarato-and-debt/>; Neilson, Brett. “The Magic of Debt, or Amortise This!,” *Mute* 2.6 (July 5, 2007), <http://www.metamute.org/editorial/articles/magic-debt-or-amortise>; Cooper, Melinda. “Life, Autopoiesis, Debt,” *Distinktion: Journal of Social Theory* 8.1 (2007): 25–43; Wortham, Simon. “Time of Debt: On the Nietzschean Origins of Lazzarato’s Indebted Man,” *Radical Philosophy* 180 (July/August 2013), <http://www.radicalphilosophy.com/article/time-of-debt-on-nietzschean-origins-of-lazzarato>.

<sup>4</sup> See Wyly, Elvin, Markus Moos, Daniel Hammel, and Emanuel Kabahizi. “Cartographies of Race and Class: Mapping the Class-Monopoly Rents of American Subprime Mortgage Capital.” *International Journal of Urban and Regional Research* 33, no. 2 (June 2009): 332–54. <https://doi.org/10.1111/j.1468-2427.2009.00870.x>; Joseph, Miranda. *Debt to Society: Accounting for Life under Capitalism*. Minneapolis: University of Minnesota Press, 2014; McClanahan, Annie. *Dead Pledges: Debt, Crisis, and Twenty-First-Century Culture*. Stanford: Stanford University Press, 2017.

as others have, to consider neoliberalism as a “governmentality” rather than as a set of policies or as an ideology. One of the most important tactics of the credit/debt apparatus under neoliberal governmentality, I will argue, is the way in which it acts on time and conceptions of temporality as both a means of value production and as a means of indirectly shaping and controlling the conduct and subjectivities of the indebted.

Second, the chapter addresses a significant gap in the literature on neoliberalism and debt by highlighting how processes of racial formation and structural racism persist through the ostensibly “colorblind” free-market rationalities of neoliberal governmentality and the purportedly objective modes of accounting employed in the debt economy. While there is certainly an argument to be made that the contemporary neoliberal debt regime reinforces and legitimates class inequalities and contributes to the precarity of labor in general, I argue here that debt constitutes a relatively unacknowledged infrastructures of control which, alongside mass incarceration, maintains conditions of white supremacy while relegating people of color to “subprime” status in contemporary America.

The chapter pursues these arguments in three parts. First, I give a brief synopsis of neoliberal governmentality and its shift from a disciplinary society to what Deleuze calls “a society of control.” Second, I present my theoretical arguments on the place of debt within neoliberal governmentality through a close engagement with Maurizio Lazzarato’s *The Making of the Indebted Man* and Annie McClanahan’s *Dead Pledges: Debt, Crisis, and Twenty-First Century Culture*, with a particular focus on the ways in which techniques for evaluating creditworthiness have changed from the 19<sup>th</sup> to the 21<sup>st</sup> century. Third, I identify the role of creditor-debtor relations as a vehicle for propagating

surreptitious neoliberal forms of colorblind or “blackboxed” racism and white supremacy in the contemporary United States.

## **I. Neoliberal Governmentality**

Neoliberal governmentality problematizes government primarily in terms of how to reinvent the overall exercise of political power based on the principles of a capitalist market economy.”<sup>5</sup> Rooted in the writings of Austrian political and economic thinkers such as Friedrich Hayek, Ludwig von Mises and the “Chicago School” of economics in the United States, prominently represented by Milton Friedman and Gary Becker, neoliberal governmentality repudiates the logic of what political economist Mark Blyth calls “embedded” liberalism—associated with Keynesian economics and the institutions of the welfare state—that advocates for state intervention in market processes to ensure full employment, economic growth, and social welfare.<sup>6</sup> Playing on fears that state intervention and planning directed toward social rights and economic redistribution will foreclose upon individual freedoms, distort market efficiencies and hinder competition and economic growth, neoliberal governmentality deploys discursive, technical, and political means of making the market the only legitimate site for the production of knowledge about proper conduct and the primary medium of governmental intervention.

While neoliberal discourse employs anti-statist rhetoric, neoliberal governmentality in its “actually existing” historically and geographically specific

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<sup>5</sup> Foucault, Michel, and Michel Senellart. *The Birth of Biopolitics: Lectures At the Collège De France, 1978-79*. Basingstoke [England]: Palgrave Macmillan, 2008, 131.

<sup>6</sup> Blyth, Mark, *Great Transformations: Economic Ideas and Institutional Change In the Twentieth Century*. Cambridge: Cambridge University Press, 2002; Hackworth, Jason R. *The Neoliberal City: Governance, Ideology, and Development in American Urbanism*. Ithaca: Cornell University Press, 2007, 10.

manifestations has transformed the state into an active partner in the promotion, protection, and expansion of market processes.<sup>7</sup> As Andrew Dilts puts it, neoliberalism does not call “for a *laissez-faire* space for economic activity, but for an entirely new governmentality that subsumes the political order, the notion of sovereignty itself under a grid of economic analysis and market intelligibility.”<sup>8</sup> Notwithstanding its proponents’ anti-statist rhetoric of small government, deregulation, and privatization—neoliberal pundit Grover Norquist famously remarked, “I don’t want to abolish government. I simply want to reduce it to the size where I can drag it into the bathroom and drown it in the bathtub”<sup>9</sup>—state intervention into economic and social affairs is not actually reduced with neoliberalism; it is transformed. According to Michel Foucault, while governmental regulation of markets is supposed to be light or non-existent according to neoliberal rhetoric, neoliberal governmentality actually involves heavy governmental intervention in the “technical, scientific, legal, geographic . . . broadly, social factors” of a polity in order to ensconce market competition in the very fabric and depth of society.”<sup>10</sup> And, as in the liberalism of the 19<sup>th</sup> and 20<sup>th</sup> centuries, neoliberal governmentality doesn’t simply involve the state and society, but extends to the formation of the political/economic subject itself. Foucault argues that what is new with neoliberalism is the reworking of “*homo oeconomicus*” from “the partner of exchange” theorized by classical liberals like

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<sup>7</sup> See Brenner, Neil, and Nik Theodore. "Cities And The Geographies Of "Actually Existing Neoliberalism"" *Antipode* 33, no. 3 (2002): 349-79, and Connolly, William E. *The Fragility of Things: Self-organizing Processes, Neoliberal Fantasies, and Democratic Activism*. Durham and London: Duke University Press, 2013, 20-1.

<sup>8</sup> Dilts, Andrew. "From 'Entrepreneur of the Self' to 'Care of the Self': Neo-liberal Governmentality and Foucault's Ethics." *Foucault Studies*. No. 12, October 2011, 139.

<sup>9</sup> Norquist, Grover. Interview with Grover Norquist. *Morning Edition*. National Public Radio (NPR), May 25, 2001. <https://www.npr.org/templates/story/story.php?storyId=1123439>

<sup>10</sup> Foucault, Michel, and Michel Senellart. *The Birth of Biopolitics: Lectures At the Collège De France, 1978-79*. Basingstoke [England]: Palgrave Macmillan, 2008, 141, 145.

Adam Smith into the “entrepreneur of himself”: the subject considered to be “human capital,” simultaneously an investor and investment.<sup>11</sup> Analyzing the theory of “human capital” in the work of Chicago School economist Gary Becker, Foucault suggests that the neoliberal model of subjectivity seeks to produce an “eminently governable” subject; no longer the partner of exchange pursuing interests largely independent of and intangible to the exercise of power, but human capital responding systematically to artificial modifications in the variables of the environment.<sup>12</sup> In a neoliberal utopia, the conduct of the docile and diligent individual worker—already the long ripening fruit of the 18<sup>th</sup> and 19<sup>th</sup> century disciplines—would become ultimately tractable, manageable and predictable such that the worker would cease even to consider herself a worker selling or exchanging her labor-power and instead treat herself as an entrepreneur of/investor in herself: capital personified.<sup>13</sup> In sum, neoliberal governmentality involves the combination of a market-based regime of truth<sup>14</sup> and an ever-shifting set of tactics, techniques, strategies and machines through which “the governed” and the “governors”—be they individuals, populations, cities, groups, quasi-governmental agencies, states, transnational

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<sup>11</sup> Ibid., 226, 233.

<sup>12</sup> Foucault, Michel, and Michel Senellart. *The Birth of Biopolitics: Lectures At the Collège De France, 1978-79*. Basingstoke [England]: Palgrave Macmillan, 2008, 270-1. Also see Dilts, Andrew. "From 'Entrepreneur of the Self' to 'Care of the Self': Neo-liberal Governmentality and Foucault's Ethics." *Foucault Studies*. No. 12, October 2011, 138.

<sup>13</sup> Foucault, Michel, and Michel Senellart. *The Birth of Biopolitics: Lectures At the Collège De France, 1978-79*. Basingstoke [England]: Palgrave Macmillan, 2008, 226.

<sup>14</sup> Here I'm using the term “regime of truth,” which appears at the beginning of the *Birth of Biopolitics* lectures apropos of the emergence of liberalism. With this term Foucault attempts to articulate how a discourse that is not, in itself, rational or scientific, becomes linked to a set of practices such that it “on the one hand, constitutes these practices as a set bound together by an intelligible connection and, on the other, legislates and can legislate on these practices in terms of true and false.” Just as Foucault attempted to show how the discourses on “madness, disease, delinquency, and sexuality,” through a set of “real practices,” formed an “apparatus (*dispositive*) of knowledge-power” that marked these previously non-existent things out in reality, he argues that liberalism and neoliberalism perform the same trick, inscribing “politics” and the “economy” in reality in such a way as to have the authority to determine what is true and false in these domains. Foucault, *The Birth of Biopolitics*, 18-9.

organizations, etc.—are induced to adopt and conform to the principles of competition, privatization, efficiency, risk management, austerity, flexibility and personal responsibility embodied by the figures of the market and the entrepreneur.<sup>15</sup>

It is arguable that Foucault’s late analysis of neoliberalism in *The Birth of Biopolitics* lectures— a governmentality that theorizes human subjects as a type of “capital” that would be “eminently governable” through an emphasis on self-discipline and personal responsibility combined with an indirect and minimal form of political power operating through the “spontaneous” order of the market—provided an almost preternatural vision of the major shifts in the operations of power/knowledge that would soon rise to dominate capitalist societies from the 1980s onward. In his famous essay “Postscript on the Societies of Control,” Gilles Deleuze clarifies and raises the political stakes of what Foucault only suggested with curiosity in the *Biopolitics* lectures. Deleuze argues that by the early 1990s the disciplinary “environments of enclosure” subjected to such rigorous theorization by Foucault had been in crisis for some time and had been overlaid (not supplanted by) by the assemblages of what he calls “societies of control.”<sup>16</sup>

For Deleuze, “control” (as opposed to discipline) no longer operates through the spaces of enclosure, rigid segmentation, and hierarchical organization represented by the factory, which distributes, orders, and composes bodies into useful formations in space.<sup>17</sup> Instead, control functions through continuous modulations and adjustments to open systems that are “ultra-rapid,” “free-floating” and “continuously change from one

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<sup>15</sup> Ong, Aihwa. *Neoliberalism as Exception: Mutations in Citizenship and Sovereignty*. Durham [N.C.]: Duke University Press, 2006, 4.

<sup>16</sup> Deleuze, G. 1992. Postscript on the Societies of Control. *October*, 59: 3-7. Retrieved from <http://www.jstor.org/stable/778828>

<sup>17</sup> Lazzarato, Maurizio. “Life and the Living in the Societies of Control” in Fuglsang, Martin., and Bent Meier Sørensen. *Deleuze and the Social*. Edinburgh: Edinburgh University Press, 2006, 180.

moment to the other . . . like a sieve whose mesh will transmute from point to point.”<sup>18</sup>

Deleuze conjures the “frightful” image of a society of continuous training, education, and monitoring that takes the corporate form and its ethos of “endless competition” as its model.<sup>19</sup> In other words, control societies function in a perpetual state of becoming or what Deleuze terms “perpetual metastability;” they leave nothing alone for long because they possess a “machinic” infrastructure of instant communication, monitoring and intervention that allows for updates and correctives in real time.<sup>20</sup>

In his essay “Life and the Living in the Societies of Control,” Maurizio Lazzarato suggests that while disciplinary techniques were “fundamentally structured in space, the techniques of control . . . allow one to bring time and its virtualities to the foreground.”<sup>21</sup> Control, as Deleuze conceives it, functions by collapsing the limits of space through information technologies that allow subjects to coexist and communicate virtually in time, accessing, relaying, and responding to information in the blink of an eye.<sup>22</sup> To the extent that control embraces and attempts to capture and regulate what Lazzarato refers to as “the time of the event”—processes of variability, becoming, creativity, even “disruption” and crisis— it rejects closed systems, rigid institutions and fixed identities, dismissing them as obsolete.<sup>23</sup> For this reason, Deleuze suggests that in societies of control it is no longer the mark of the signature identifying an individual that matters, but rather the numerical language of codes and passwords that “mark access to information,

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<sup>18</sup> Deleuze, G. 1992. Postscript on the Societies of Control. *October*, 59: 3-7.

<sup>19</sup> Ibid., and Deleuze, Gilles, and Martin Joughin. *Negotiations: 1972-1990*. New York: Columbia University Press, 1997, 174-5.

<sup>20</sup> Deleuze, G. 1992. Postscript on the Societies of Control. *October*, 59: 3-7 and Deleuze, *Negotiations*, 174.

<sup>21</sup> In Fuglsang, Martin and Meier, *Deleuze and the Social*, 180.

<sup>22</sup> Ibid., 180.

<sup>23</sup> Ibid., 178.

or reject it.”<sup>24</sup> It is in respect to this dynamic that Deleuze suggests that individuals have become what he calls “*dividuals*.”<sup>25</sup>

Steven Shaviro, in his essay “The 'Bitter Necessity' of Debt: Neoliberal Finance and the Society of Control,” offers some helpful insight into Deleuze’s somewhat cryptic notion of the “dividual.” He explains that whereas “disciplinary societies operate directly on human bodies and physical objects, by managing the thermodynamic flows of energy that pass through them,” control societies “work by abstracting bodies and objects into data,” through which “they can then command the movements of these bodies and objects.”<sup>26</sup> To the extent that our human identities are now virtually and digitally mediated by networked machines and, importantly, collections of “data” about us—our credit scores, web browsing habits, shopping preferences, medical records, criminal records, employment histories, political donations, social media “likes,” etc.—they no longer congeal into stable “individual” identities, but instead are “continually being decomposed and recomposed, on various levels through the modulation of numerous parameters.”<sup>27</sup> This, Shaviro argues, is the phenomenon that Deleuze’s concept of the “dividual” is trying to express. If dividuals are rhizomatic assemblages of data, these assemblages are segmented by their differential access to a range of social goods such as services, spaces, information, and, of course, credit. Whether or not dividuals are granted or denied access to these and other goods at a particular moment in time depends on how the mix of their data is interpreted by a service provider, a bank, a school, a credit bureau

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<sup>24</sup> Deleuze, G. 1992. Postscript on the Societies of Control. *October*, 59: 3-7.

<sup>25</sup> Ibid.

<sup>26</sup> Shaviro, S. 2011. The Bitter Necessity of Debt: Neoliberal Finance and the Society of Control. *Concentric: Literacy & Cultural Studies*, 37 (1), 73-82.

<sup>27</sup> Ibid.



or a police force. Despite the apparent lack of direct physical coercion, the difference between being able to access or being denied a medical procedure, a home loan, or a job opportunity based on collections of data that largely do not reside in one's control, poses serious bodily consequences. Thus, Shaviro writes, "Media are extrapolated from our bodies; and they redound back upon our bodies and our sensoria," leaving "no part of us unaffected."<sup>28</sup>

Here we arrive at Deleuze's famously pithy remark toward the end of his essay: "Man is no longer man enclosed, but man in debt."<sup>29</sup> Deleuze juxtaposes indebtedness with enclosure or confinement, the signature technique of the disciplinary society that functions through manipulating spatial logics and forms of organization to increase the efficiency and productivity of the bodies of the governed, while at the same time encouraging conformity and docility. Deleuze associates debt with "control": a newly developing mode of power that operates indirectly and virtually, collecting and accumulating data to be evaluated through predictive models that allow for a hold on bodies (singular or collective) not primarily through space, but in *time*. To this crucial theme—how it is that debt governs and controls by its grip on the time of the indebted—we will return shortly.

While Deleuze does not use the word neoliberalism, his emphasis on the rise to prominence of the corporate form and ethos, of money, finance, and, above all, debt, allows us to surmise, with Shaviro, that the neoliberal governmentality theorized by Foucault and Deleuze's societies of control, are part of the same abstract machine. Shaviro points to a key passage in Foucault's *Biopolitics* lectures, where he explicitly

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<sup>28</sup> Ibid.

<sup>29</sup> Deleuze, G. 1992. Postscript on the Societies of Control. *October*, 59: 3-7.

theorizes a post-disciplinary social arrangement in a way quite close to Deleuze's control society.<sup>30</sup> Here Foucault describes neoliberalism as "the image, idea, or theme-program of a society in which there is an optimization of systems of difference, in which the field is left open to fluctuating processes" and "in which there is an environmental type intervention instead of the internal subjugation of individuals."<sup>31</sup> As Shaviro suggests, Deleuze and Foucault have often been pegged as postmodern critics of "Marxist economism," but when both contemplated "the futurity knocking at the door, they both rediscover the force of the economic, returning with a vengeance."<sup>32</sup> Deleuze's essay seems to be a warning that the "flows, rhizomatic structures, and open systems," he theorized with Guattari in *Anti-Oedipus* and *A Thousand Plateaus* should not be understood as liberating in themselves, but, in fact, "have their own traps, their own mechanisms of oppression, their own devices of exploitation and subordination."<sup>33</sup>

Above all, the type of freedom preached by neoliberal market evangelists such as F.A. Hayek, Milton Friedman, and Gary Becker, is precisely the freedom enjoyed by the one who is no longer a worker, but "human capital," no longer confined, but in debt. A governmentality that not only deregulates market forces, but actively seeks to transform all governmental functions and institutions based on a market logic of competitiveness, and to instill the logic of investment capital into the hearts of worker and manager alike is one through which, as Shaviro remarks, "the 'free market' functions as an instrument of control."<sup>34</sup> In many respects, this was always the logic at the heart of liberalism. As

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<sup>30</sup> Shaviro (2011).

<sup>31</sup> Foucault, Michel, and Michel Senellart. *The Birth of Biopolitics: Lectures At the Collège De France, 1978-79*. Basingstoke [England]: Palgrave Macmillan, 2008, 259-60.

<sup>32</sup> Shaviro (2011).

<sup>33</sup> Ibid.

<sup>34</sup> Ibid.

Foucault instructs, “Freedom is something which is constantly produced. Liberalism is not acceptance of freedom; it proposes to manufacture it constantly, to arouse it and produce it, with, of course, [the system] of constraints and the problems of cost raised by this production.”<sup>35</sup> With the advent of neoliberalism we must submit to what Hayek calls the “bitter necessity” of free market competition with “its calculus of credit and debt” in all spheres of life; market competition is now “forcibly built into all situations, and made into a necessary precondition for all potential actions.”<sup>36</sup> Therefore, it is to an analysis of the type of freedom and control enacted through credit and debt under neoliberalism that we now turn.

## **II. Theorizing the Neoliberal Politics of Debt: Lazzarato and McClanahan**

Steven Shaviro employs Deleuze’s essay on societies of control to draw our attention to the importance of debt within neoliberalism. Here we seek to more fully theorize the work credit and debt perform in neoliberal governmentality with the help of philosopher Maurizio Lazzarato’s groundbreaking work *The Making of the Indebted Man* and cultural theorist Annie McClanahan’s profoundly researched and truly interdisciplinary study *Dead Pledges: Debt, Crisis, and Twenty-First Century Culture*, which thinks both with and against Lazzarato’s work. Both thinkers are clearly influenced by the work of Deleuze and offer an analysis of how debt works, on the one hand, to enact a form affective, indirect, virtual, and temporal control at both a personal and population-wide scale; however, on the other hand, this does not exclude debt’s coupling with more violent, coercive, and punitive modes of power. Indeed, Lazzarato’s

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<sup>35</sup> Foucault, *The Birth of Biopolitics*, 65.

<sup>36</sup> Shaviro (2011).

emphasis on debt's dual operation as a form of "subjection" and "machinic subjugation," and McClanahan's theorization of debt's contemporary connection to racialized forms of punishment, incarceration, and wealth extraction, suggest that neoliberal governmentality is a species of racial capitalism that has become adept at hiding its authoritarian and white supremacist tracks under cover of an individualizing morality of debt and the impartial, data-driven effects of the market.

While Lazzarato leans heavily on Foucault's analyses of governmentality, liberalism and neoliberalism in the *Collège de France* lectures, he takes Foucault to task for neglecting to address "the functions of finance, debt, and money, even though these constituted the strategic mechanisms of neoliberal government starting in the late 1970s."<sup>37</sup> Foucault's textual and somewhat biographical focus on "ordoliberal" and neoliberal economic theory and thinkers in his lectures appears to miss the changing techno-political developments through which these theories were materialized as actual modes of governing social relations. Somewhat uncharacteristically, Foucault fails to consider the practices through which the discourse of neoliberal theory was being enacted.<sup>38</sup> By contrast, Lazzarato, following Deleuze (who did not miss the rising importance of finance and debt, and, in fact, had insisted on the importance of the creditor-debtor relation at least since he published *Nietzsche and Philosophy* in the sixties), offers an analysis of debt, considered as a power relation between creditor and debtor, which, he argues, "intensifies mechanisms of exploitation and domination at

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<sup>37</sup> Lazzarato, M., and Joshua David Jordan. *The Making of the Indebted Man: An Essay On the Neoliberal Condition*. Los Angeles Semiotext(e), 2012, 90.

<sup>38</sup> This was likely due to the fact that Foucault appears to have shifted the focus of his research to encompass liberalism and neoliberalism, when the ostensible theme of the lectures was "biopolitics." We must remember that these are only lectures, and if Foucault had turned his full attention to neoliberalism, we would likely have a much fuller picture of the all the forces in play.

every level of society.”<sup>39</sup> Indeed, he clearly states that debt “represents the economic and subjective engine of the modern-day economy. Debt creation, that is, the creation and development of the power relation between creditors and debtors, has been conceived as the strategic heart of neoliberal politics.”<sup>40</sup>

Lazzarato agrees with Foucault that neoliberalism induces in the “practices of the self” associated with the figure of *homo oeconomicus* a transformation from the “partner of exchange” to the “entrepreneur of himself;”<sup>41</sup> however he insists that one must recognize alongside the entrepreneur another subjective figure: *homo debitor*, the “indebted man.”<sup>42</sup> Lazzarato contends that the neoliberal turn in the ethical formation of the subject involves not only an imperative to rationally conceive of oneself as “human capital;” it also includes a moral imperative for those who can only invest in their human capital *on credit*: “the morality of the *promise* (to honor one’s debt) and the *fault* (of having entered into it).”<sup>43</sup> This morality of debt may sound familiar because Lazzarato bases his analysis of the neoliberal debt economy on a theory of debt that we encountered in the first chapter: Nietzsche’s genealogical account tracing bourgeois morality back to the power relation between creditor and debtor. Remember that this is debt conceived as a “mnemotechnic” device for making the subject responsible (i.e. capable of keeping his

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<sup>39</sup> Lazzarato, M., and Joshua David Jordan. *The Making of the Indebted Man: An Essay On the Neoliberal Condition*. Los Angeles Semiotext(e), 2012, 7.

<sup>40</sup> *Ibid.*, 25.

<sup>41</sup> Foucault, Michel, and Michel Senellart. *The Birth of Biopolitics: Lectures At the Collège De France, 1978-79*. Basingstoke [England]: Palgrave Macmillan, 2008, 226.

<sup>42</sup> Lazzarato, M., and Joshua David Jordan. *The Making of the Indebted Man: An Essay On the Neoliberal Condition*. Los Angeles Semiotext(e), 2012, 8.

<sup>43</sup> *Ibid.*, 30.

promise to repay the creditor) through cruelty, punishment, pain, bad conscience and feelings of guilt.<sup>44</sup>

Lazzarato also draws on an early essay by Karl Marx, “Comments on James Mill,” in which Marx considers the case of a rich man offering credit to a poor man. There Marx notes that the credit system is a bit of a fly in the ointment of classical political economy and the labor theory of value because “all the social virtues of the poor man, the content of his vital activity, his existence itself, represent for the rich man the reimbursement of his capital with the customary interest.”<sup>45</sup> In a statement that seems to prefigure the neoliberal idea of human capital and identifies the importance of the morality of credit/debt as a mode of capitalist accumulation, Marx writes:

“Credit is the economic judgment on the morality of a man. In credit, the man himself, instead of metal or paper, has become the mediator of exchange, not however as a man, but as the mode of existence of capital and interest. . . . Within the credit relationship, it is not the case that money is transcended in man, but that man himself is turned into money.”<sup>46</sup>

Marx considers it “vile” to “estimate the value of a man in money,” suggesting (implicitly) an isomorphism between the subject position of the debtor and that of the slave, inviting a critique of capitalism’s role in alienating and exploiting both.<sup>47</sup> However, Marx does not explore the connections between slavery and debt here, instead shifting his analysis to debt’s effect on the class relationship between capitalist and worker. Marx argues that debt intensifies “the antithesis between capitalist and worker” because the indebted worker becomes wholly dependent on the arbitrary judgments of the

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<sup>44</sup> Ibid., 40-1. Considering that I analyze Nietzsche’s conception of debt in significant detail in Chapter 1, I will not retread this analysis here.

<sup>45</sup> Marx, Karl. “Comments on James Mill,” <https://www.marxists.org/archive/marx/works/1844/james-mill/>.

<sup>46</sup> Ibid., 6.

<sup>47</sup> Ibid.

capitalist creditor, whose purview is not just the worker's productivity, but his "entire existence."<sup>48</sup> Owing to this asymmetrical creditor-debtor relationship, says Marx, "[m]utual dissimulation, hypocrisy and sanctimoniousness" are carried to such extremes that one without credit is not just judged to be "poor," but to him is attached a "pejorative moral judgment that he possesses no trust . . . and therefore is a social pariah, a bad man."<sup>49</sup>

According to Lazzarato, Marx shows us how the creditor-debtor relation in capitalism functions differently but in a way complementary to the labor-capital relation. As he suggests, "credit does not solicit and exploit *labor* but rather *ethical action* and the *work of self-constitution at both an individual and collective level*" [author's emphasis].<sup>50</sup> Credit does not depend, like the wage, on a worker's intellectual or physical resources, but rather on a subjective measure of her ethical action that serves as a predictor of her "solvency" – her future ability to repay.<sup>51</sup> Hence, in the capitalist debt economy the evaluation of a subject's solvency/insolvency becomes synonymous with a moral determination of good/bad, and as Marx points out, insolvency carries with it a social stigma, attaching to the "insolvent" debtor the status of *persona non grata*, pariah, even criminal (the "bad man").<sup>52</sup> Lazzarato recognizes that it is through this moral force of debt that "capital is able to appropriate not only the physical and intellectual abilities the poor man employs in his labor [in the workplace], but also his social and existential forces" i.e. his lifestyle, social behavior, values – the choices he makes about what to do

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<sup>48</sup> Ibid.

<sup>49</sup> Ibid., 6-7.

<sup>50</sup> Lazzarato, M., and Joshua David Jordan. *The Making of the Indebted Man: An Essay On the Neoliberal Condition*. Los Angeles: Semiotext(e), 2012, 55.

<sup>51</sup> Ibid., 58.

<sup>52</sup> Ibid.

with his time outside of work.<sup>53</sup> It is in this sense that Lazzarato argues both that debt “breeds, subdues, manufactures, adapts, and shapes subjectivity” and that the “debt economy combines ‘work on the self’ and labor, in its classical sense, such that ‘ethics’ and economics function conjointly.”<sup>54</sup>

If it is true that the wage contract and the debt obligation have functioned conjointly throughout the history of capitalism, if ethics and economics have operated together since capitalism’s inception, then what is different about debt’s function in *neoliberal* governmentality? This is where it is helpful to turn to Annie McClanahan’s work because she draws on critical theory, social studies of finance, economic history, as well as literary analysis to provide an in-depth and multifaceted look at what is specific to credit and debt in 21<sup>st</sup> century culture. Importantly, her book offers a critique of what she calls “the emergent body of post-crisis critical theory on debt” that has largely focused on subjectivity, singling out Lazzarato’s work as an exemplar of this trend.<sup>55</sup> McClanahan notes that much of this work, following Lazzarato, returns to Nietzsche and Marx because these 19<sup>th</sup> century philosophers offer resources for understanding how credit is both “intensely personal and profoundly dehumanizing,” how credit turns one’s social personhood and credibility into “an asset to be priced,” and how being in debt is associated with guilt and shame.<sup>56</sup>

At one level, McClanahan is clearly influenced by Lazzarato and his camp in that she too is intrigued by the somewhat paradoxical way in which “debt persistently and simultaneously occupies the logic of quantitative, scientific objectivity and of qualitative,

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<sup>53</sup> Ibid., 59.

<sup>54</sup> Ibid., 38-9; 11.

<sup>55</sup> Ibid., 77

<sup>56</sup> Ibid., 78.



even moral, subjectivity.”<sup>57</sup> Not only this, she argues that consumer debt in particular connects the scale of everyday experience to the macro scale of the global financial system and its larger structural dynamics. Consumer debt is “at once specific and systemic, everyday and epochal.”<sup>58</sup> However, she reproaches Lazzarato and other contemporary theorists of debt for thinking that Nietzsche and Marx’s 19<sup>th</sup> century conceptions of credit evaluation and indebtedness somehow anticipated the “intensified relationship between subjectivation and economic value demanded by late capitalism” and perfectly encapsulate the particular circumstances of the debt economy today. Lazzarato was perhaps too hasty in turning back to Nietzsche, “mnemotechnics,” and the morality of debt. By contrast, McClanahan seeks to update our understanding of credit and debt through a more careful historical analysis of shifts in the evaluative technologies of credit and debt, and through an analysis of debt’s representations in advertising, literature, poetry, art, and other cultural artefacts.

One important shift McClanahan traces that has been a hallmark of neoliberal governmentality is the “securitization” of debt. She argues that the securitization of debt—the technical ability to quantify credit “risk,” and package, price, and sell debt as a commodity to investors on global secondary markets—has transformed credit/debt into an “industry in itself” rather than an aid to consumption.<sup>59</sup> To make a long story short, after the passage of the Equal Credit Opportunity Act (ECOA) in 1974, which outlawed credit discrimination based on age, religion, race, nationality, sex, or marital status, lenders turned to sophisticated new methods of credit monitoring that relied on statistical

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<sup>57</sup> McClanahan, Annie. *Dead Pledges: Debt, Crisis, and Twenty-First-Century Culture*. Stanford: Stanford University Press, 2017, 57.

<sup>58</sup> *Ibid.*, 4.

<sup>59</sup> *Ibid.*, 5.

models to analyze data collected by retailers and credit bureaus.<sup>60</sup> This mounting quantity of granular data about consumer behavior combined with increasing technical precision in evaluating consumer credit risk allowed banks to hedge loans made to borrowers with riskier credit profiles by setting interest rates based on statistical calculations of risk.<sup>61</sup> Rather than screening out and excluding candidates deemed too risky, banks could now make the riskier loans, price the risk “objectively” based on the borrower’s credit data, and bundle the loan with others into a security that would be “tranching” (divided) into different risk categories<sup>62</sup> and sold to investors hungry for a steady stream of interest payments (lower risk loans producing the lowest return, higher risk paying higher interest).<sup>63</sup>

As McClanahan observes, the securitization of debt shifted the whole model of credit markets from one funded through a bank’s own deposits to one funded by a growing market of “far-flung investors,” greatly increasing credit market liquidity as “the value of a ‘fixed’ asset like a house, or the value of mortgage payment on that house, could suddenly flow across the country in a single keystroke.”<sup>64</sup> The securitization of debt altered the scope and temporality of capital accumulation, creating the infrastructure and incentive for money to be loaned to borrowers previously excluded from credit markets, allowing lenders to realize anticipated profits immediately, and, in theory, dispersing risk by bundling loans together and selling them as debt “derivatives” to downstream investors. Indeed, as McClanahan makes clear, before the mortgage-backed

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<sup>60</sup> Ibid.

<sup>61</sup> Ibid., 5-6.

<sup>62</sup> This can be done with almost any kind of debt, including credit card receivables, student loans, and most famously mortgage debt, which is packaged into a financial instrument called a Mortgage Backed Security (MBS).

<sup>63</sup> Ibid., 6.

<sup>64</sup> Ibid., 7.

security market came crashing down in 2007-2008, “everyone from financial investors to the Federal Reserve believed that this kind of global securitization created a virtuous cycle, through which banks could lend to previously unqualified buyers and dilute the risk by reselling those loans as securities to speculative investors around the world.”<sup>65</sup> However, as she also makes clear, the growing global demand for debt securities (and MBS in particular) eventually lowered lending standards on the original loans, increasing the market in the riskiest debt (the so called “subprime market”) from 5 to 30% by the early 2000s, and encouraged creative new products like adjustable-rate mortgages (“ARMS”) – mortgages whose monthly payments would increase over time, eventually exceeding the borrower’s ability to pay.<sup>66</sup> Moreover, the highly liquid market and use of complex structured financial products that unsophisticated investors could hardly understand created opportunities for Wall Street to not only create and sell an enormous menagerie of exotic derivatives, but, using derivatives like credit default swaps (CDS) to make their own hugely leveraged bets on or against the housing market.

The second major shift McClanahan discusses is the transformation from the 19<sup>th</sup> and early 20<sup>th</sup> century technique of subjective evaluation of credit based on a borrower’s personal character to the late 20<sup>th</sup> century development of the quantified credit score. Citing the New Historicist scholarship of Marc Shell, Mary Poovey, Deidre Lynch, Margot Finn, and Ian Baucom, she argues that beginning in the late 18<sup>th</sup> century and into the 19<sup>th</sup> when the market economy became fully dependent on consumer credit, a standard practice for evaluating consumer credit in a way that would make possible “the leaps of faith necessary” for loans and investments drew from the model of the realist

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<sup>65</sup> Ibid.

<sup>66</sup> Ibid., 6-7.

novel and its way of describing fictional characters as well as “the formal habits of reading and interpretation the novel demanded.”<sup>67</sup> In order to appear as a successful proxy for measuring a “borrower’s economic riskiness,” the genre of credit evaluation was, according to historian Kenneth Lipartito, “largely a narrative one.”<sup>68</sup> The earliest credit reporting agencies would send evaluators to interview borrowers face-to-face where they could read “the applicant’s appearance and demeanor” and make subjective judgments as to their creditworthiness based on “a range of seemingly superficial observations, from fashion to physiognomy.”<sup>69</sup> Evaluators then sought to shape these observations into a compelling credit narrative that would strike a balance between adequate description of a prospective borrower’s individual character and his/her social context (the “lived environment” associated with his/her social class), turning descriptive information into a “salable commodity,” which lenders could depend on to make sound judgments about a borrower’s creditworthiness.<sup>70</sup>

McClanahan describes how this model of credit evaluation underwent a radical transformation in the late 20<sup>th</sup> century, the period of emergent neoliberal governmentality. In conjunction with the behavioral revolution in economics, the emerging secondary markets for securitized debt, deregulation of caps on fees and interest rates, and wage stagnation, credit evaluation underwent what economic historians call its “quantitative revolution.”<sup>71</sup>

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<sup>67</sup> Ibid., 4; 59.

<sup>68</sup> Qtd. in McClanahan, *Dead Pledges*, 59.

<sup>69</sup> Ibid., 60.

<sup>70</sup> Ibid.

<sup>71</sup> Ibid., 62.

The three primary information collecting credit bureaus (TransUnion, Equifax, Experian) shifted their techniques away from the old focus on providing narratives that would assess “character,” which had engaged in what Martha Poon calls “control by screening.”<sup>72</sup> Control by screening had separated borrowers into two classes: creditworthy and not creditworthy. With the neoliberal turn, the credit bureaus devised a method Poon calls “control by risk”: substituting “a highly segmented spectrum for this simple binary” and thus opening up “a new space of calculative possibility” in which creditors could turn to a finely-tuned system for pricing credit risk based “not on a qualitative assessment of moral character but on a quantifiable history of economic behavior.”<sup>73</sup>

As I briefly touched on in the description of debt securitization, the Equal Credit Opportunity Act (ECOA) was passed to prohibit the kind of categorical discriminatory lending practices associated with control by screening that creditors had employed throughout the 19<sup>th</sup> and well into the mid-20<sup>th</sup> centuries. In response to charges of overt racism and sexism, to remain within the letter of the new law, and to seize new opportunities for profiting from the newly imposed inclusivity in credit markets, credit bureaus and lenders sought evaluation techniques that would appear as objective and fair as possible. Quantitative methods provided an answer.

Lenders and professional credit evaluators turned to tracking and collecting data on consumer behavior, and using statistical and mathematical modeling techniques to aid in the determination of how to “price” the risk associated with the different segments of the borrowing population. Quantitative credit evaluation now involves transforming an

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<sup>72</sup> Ibid., 64.

<sup>73</sup> Ibid., 63-4.

immense amount of behavioral data (“as many as 450 discrete data points”) collected and compiled by credit bureaus, including borrowing history, repayment habits, consumption patterns, health history, court judgments, etc., into a single numerical score using proprietary scoring algorithms developed by private companies like Fair Isaac Corporation (FICO) or VantageScore.<sup>74</sup> FICO advertises its score as a “fast, objective measurement of credit risk,” that allows lenders to “focus only on the facts related to credit risk, rather than their personal feelings.”<sup>75</sup> Lenders now rely on the “facts” about a borrower congealed into a proprietary 3-digit score, rather than “personal” and potentially prejudiced judgments about character, to determine creditworthiness. Moreover, the unprecedented levels of “quantitative granularity” lenders now have access to allows them to engage in what Poon calls “razor sharp segmentation games” in which a population of borrowers is no longer divided into creditworthy/unworthy, but segmented into a spectrum of calculable risk profiles corresponding to a wide range of chargeable interest rates, and even different mechanisms of debt repayment (for instance fixed versus adjustable rate mortgages).<sup>76</sup> Beyond even the credit score, “control by risk” now involves lender-specific algorithms that use detailed and continuously updating consumer data to predict a borrower’s fluctuating delinquency risk, allowing lenders to extend or retract credit in real time.<sup>77</sup>

While McClanahan trains her focus on consumer credit, it is important to note that the quantitative revolution in credit evaluation extended to government debt as well, in particular the municipal bond market. Just as the passage of ECOA in 1974 signaled a

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<sup>74</sup> Ibid.

<sup>75</sup> Ibid., 56; 63.

<sup>76</sup> Qtd. in McClanahan, *Dead Pledges*, 65.

<sup>77</sup> Ibid., 64.

shift in consumer credit evaluation, the traumatic events of the New York City debt crisis the next year “spooked commercial providers of municipal credit everywhere” and catalyzed a move to debt securitization and quantitative credit evaluation.<sup>78</sup> According to Jason Hackworth, whereas local knowledge and mutual trust between cities and commercial lenders had previously served as the basis of the municipal credit market, after 1975, wealthy households and institutional investors seeking tax-free and low risk investments became the primary investors in municipal bonds.<sup>79</sup> These so called “unsophisticated” investors (often retirement or pension funds) have been highly dependent on the credit ratings (bonds get “ratings,” individuals get “scores”) provided by the “big three” bond-rating agencies: Standard & Poor’s, Moody’s, and Fitch.<sup>80</sup> Just as Experian, TransUnion, and Equifax, and FICO cornered the market for standardized and objective credit information on consumer borrowers, S&P, Moody’s, and Fitch have filled a similar role in becoming the “primary gatekeepers” not only for municipal debt, but the entire transnational market for corporate and sovereign debt, as well as all manner of tradeable securities, including MBS (mortgage-backed securities) and CDOs (Collateralized Debt Obligations) – a fact that placed the rating agencies (CRAs) and their risk models at the center of the mortgage meltdown.<sup>81</sup>

For cities, the key judgment that rating agencies make is “whether a bond is rated as ‘speculative-grade’ (a ‘junk bond’) or ‘investment-grade.’”<sup>82</sup> A city is required by law to hire one of the rating agencies (and pay for its services) as soon as it decides to issue

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<sup>78</sup> Hackworth, Jason R. *The Neoliberal City: Governance, Ideology, and Development in American Urbanism*. Ithaca: Cornell University Press, 2007, 30.

<sup>79</sup> *Ibid.*, 27.

<sup>80</sup> Sinclair, Timothy J. *The New Masters of Capital: American Bond Rating Agencies and the Politics of Creditworthiness*. Ithaca: Cornell University Press, 2005, 3-5.

<sup>81</sup> *Ibid.*, 3; Hackworth, *The Neoliberal City*, 23.

<sup>82</sup> *Ibid.*, 21.

debt, and this agency gives the city's debt a credit rating based on an examination of a mix of quantitative and qualitative factors including the city's financial statements, its history of debt repayment, its economic and demographic outlook, legal factors affecting potential default, etc.<sup>83</sup> These data points are analyzed and boiled down to a rating, ranging from investment quality (for S&P: AAA to BBB-, for Moody's: Aaa to Baa3) to speculative grade and likely to default (for S&P: BB+ to – D, for Moody's Ba1 to C).<sup>84</sup> In a way somewhat similar to an individual borrower, if any of the three major rating firms judge a city's credit risk to be too high (based on a mix of factors that may include the city's financial history, economic outlook, and current management conduct) and rate its bonds "speculative grade," it can be, in Hackworth's words, "summarily redlined from credit."<sup>85</sup>

While partially true, Hackworth's invocation of the term "redlining" here is a bit of a misnomer in the brave new world of control by risk. As Ta-Nahesi Coates explains, the term "redlining" takes its name from the color-coded real estate maps used by the Federal Housing Administration (FHA) that rated neighborhoods based on their perceived credit stability from green, demarcating stable and "in demand" areas without "a single foreigner or Negro," to red, demarcating distressed areas "ineligible for FHA backing," which happened to correspond exactly to the "[n]eighborhoods where black people lived."<sup>86</sup> Through common usage of these maps, an explicitly racist governmental

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<sup>83</sup> Ibid., 21.

<sup>84</sup> Sinclair, *The New Masters of Capital*, 33-4.

<sup>85</sup> Ibid., 20.

<sup>86</sup> Coates, Ta-Nehisi. "The Case for Reparations." *The Atlantic Monthly*, June 2014.  
<http://www.theatlantic.com/features/archive/2014/05/the-case-for-reparations>



lending practice—“redlining”—spread to the entire mortgage industry, “excluding black people from most legitimate means of obtaining a mortgage.”<sup>87</sup>

In the case of contemporary municipal credit rating, a city being rated speculative grade does not mean it will be excluded from credit markets; it means it will be charged punitively high interest rates that put enormous pressure on the city to cut costs, reduce services, and, in some cases, may lead to more drastic measures such as emergency takeover and bankruptcy. Moreover, because many investor portfolios (retirement and pension funds especially) can only be invested in low-risk, investment grade rated bonds, dropping below a certain threshold may have ripple effects that compound a city’s woes.<sup>88</sup> To be clear, I am not arguing that exclusion or racism no longer play a role in credit scoring or credit rating, but rather that we need to understand how racism now functions through the “inclusive” techniques of control by risk. We return to this question in a moment. We must first understand the basis upon which CRAs make their rating judgments.

While Moody’s acknowledges that qualitative factors do play a role in ratings judgments, it has insisted that, at the end of the day, its rating determinations are based on “the kinds of objective numbers the agency has always used to provide information to investors.”<sup>89</sup> Moreover, the rating agencies, in the post-crisis market environment in which their ratings and expertise have come into question, are attempting to increase their “transparency” by quantifying the rating process even further. For instance, Moody’s has

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<sup>87</sup> Ibid.

<sup>88</sup> See for instance the case of the City of Detroit bankruptcy. Turbeville, Wallace C. “The Detroit Bankruptcy.” Demos. November 2013, 1. [www.demos.org/publication/detroit-bankruptcy](http://www.demos.org/publication/detroit-bankruptcy). (Accessed April 27, 2014)

<sup>89</sup> Sinclair, Timothy. *The New Masters of Capital*, 34-35.

created a “quantitative scorecard” to be shared with municipal borrowers in advance that shows how major factors (economy/tax base, finances, management, and debt/pensions) and subfactors (property values, median income, institutional framework, etc.) that determine a final rating are scored (they tout that each subfactor is now a “quantitative metric”).<sup>90</sup> The CRAs claim that they are essential to making global markets more transparent and that they are updating their practices toward more objective and transparent methods of credit evaluation.<sup>91</sup> However, ratings continue to be determined behind closed doors by a small committee of senior officials, which may consider factors not communicated to the borrower or the public (the quantitative scorecard is “not an exhaustive list of factors”), and retains the final authority to determine a rating, independent of any preset quantitative formula.<sup>92</sup>

While the rating agencies, like the credit bureaus and FICO, purport to give expert and impartial judgments on borrowers’ creditworthiness, Timothy Sinclair stresses that because they continue to analyze quantitative and qualitative factors including “management structure, policy, and the wider context of the issuer . . . [this] make[s] the credit rating process inherently a nondeductive matter.”<sup>93</sup> The simple fact that the three credit bureaus may produce significantly different credit scores in conjunction with a “critical mass of complaint over the past twenty years” betrays, according to legal scholar

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<sup>90</sup> “Rating Agencies: How New Evaluation Criteria Could Impact Your Rating.” Presentation to the Government Finance Officers Association, May 18-19, 2014. [www.gfoa.org/sites/default/files/Rating%20Agencies.pdf](http://www.gfoa.org/sites/default/files/Rating%20Agencies.pdf). Accessed June 24, 2017.

<sup>91</sup> Ibid. See also <https://www.moodys.com/Pages/atc.aspx>. Accessed June 24, 2017.

<sup>92</sup> Sinclair, Timothy. *The New Masters of Capital*, 33; “Rating Agencies: How New Evaluation Criteria Could Impact Your Rating.” Presentation to the Government Finance Officers Association, May 18-19, 2014. [www.gfoa.org/sites/default/files/Rating%20Agencies.pdf](http://www.gfoa.org/sites/default/files/Rating%20Agencies.pdf).

<sup>93</sup> Sinclair, Timothy. *The New Masters of Capital*; 62.

Frank Pasquale, that “the assessment process is more than a little arbitrary.”<sup>94</sup> While the three-digit number or alphanumeric rating appears to be “a marvel of concrete and compact clarity”—objective, reliable, incontestable—they are, in actuality “black boxes” concealing potentially arbitrary analytical processes that cannot be “fully understood, challenged, or audited.”<sup>95</sup> Sinclair argues that this gate-keeping judgment process is “manifestly political” because it promotes modes of conduct, forms of knowledge, and governance systems configured to provide a “vetting and surveillance system for capital mobility, allowing capital to move ‘securely’ across geographic and cultural space.”<sup>96</sup> Moreover, the monopoly of information and authoritative judgment held by the credit bureaus and the CRAs gives them enormous power to determine the “global distribution of money, jobs, and economic opportunity” without any invitation for “public dialog, debate, or democratic deliberation.”<sup>97</sup> Accordingly, we see in the transformation and increasing politico-economic power of the credit evaluation industry, a clear manifestation of neoliberal governmentality’s technocratic face. In their role as expert information gatherers, interpreters, and authoritative sources of judgment, rating agencies and credit scorers are key enforcers in the struggle to construct and maintain a neoliberal governmentality that can indirectly control the conduct of indebted subjects at multiple scales.<sup>98</sup>

Have Lazzarato and other theorists of debt who have drawn on Nietzsche and Marx to think through credit and debt’s ethical/moral effect on subjectivity and conduct

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<sup>94</sup> Pasquale, Frank. *The Black Box Society: The Secret Algorithms That Control Money and Information*. First Harvard University Press paperback edition. Cambridge, Massachusetts London, England: Harvard University Press, 2016, 24.

<sup>95</sup> *Ibid.*, 25.

<sup>96</sup> Sinclair, Timothy. *The New Masters of Capital*, 62.

<sup>97</sup> *Ibid.*, 63.

<sup>98</sup> *Ibid.*, 17.

really missed these important shifts related to the quantitative turn in credit evaluation?

Yes and no. Lazzarato is far more gestural in his approach to changes in the actual techniques of evaluation accompanying neoliberalism, which allows him to make sweeping transhistorical arguments such as this: “evaluation, whose importance within the debt economy both Nietzsche and Marx recognized, has become an extremely effective governmental technique in every sphere—economic, social, as well as education . . . for classifying, hierarchizing, and dividing the governed.”<sup>99</sup> On the one hand, Lazzarato is right that evaluation is a vitally important and effective technique of neoliberal governmentality, and that Nietzsche and Marx, in their time, made a connection between evaluation, morality and debt. On the other hand, Lazzarato isn’t particularly clear on the specifics of how credit evaluation (scoring, rating, or otherwise) works to classify, hierarchize and divide the governed today.

He suggests that while neoliberal “mnemotechnics” are not as “gory and cruel as those described by Nietzsche . . . their purpose remains the same: to construct memory, inscribe ‘guilt’ in the mind and body, fear and ‘bad conscience’ in the individual economic subject.”<sup>100</sup> While credit evaluation’s form may have changed, Lazzarato thinks it still makes the individual subject its target and relies on producing individualized feelings of fear and guilt to incite responsible and disciplined economic conduct. It appears then, that, according to Lazzarato, we still live in a world that resembles Foucault’s “disciplinary society” of individuals rather than Deleuze’s emergent “society of control” working through “dividuals.”

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<sup>99</sup> Lazzarato, M., and Joshua David Jordan. *The Making of the Indebted Man: An Essay On the Neoliberal Condition*. Los Angeles: Semiotext(e), 2012, 129.

<sup>100</sup> *Ibid.*, 130.

By contrast, McClanahan seeks to offer an updated theoretical account of how quantitative credit scoring works on indebted subjects in the contemporary data-obsessed neoliberal society of control. She does so, in part, through a reading of Gary Shteyngart's 2011 novel *Super Sad True Love Story*, a "post-crisis" allegorical novel that is explicitly concerned with the new models of credit evaluation characteristic of the quantitative turn and control by risk. *Super Sad* is set in a near future where "all consumption is fueled by credit" and people wear a device like an iPhone called an "apparat" that projects "data about the wearer into the surrounding space."<sup>101</sup> When people in this world walk by public "Credit Poles," their "credit rankings" are involuntarily displayed to everyone around them.<sup>102</sup> Both in the novel's characterization and in the technological world being presented, Shteyngart self-consciously uses a combination of caricature and stereotype in a way that, in McClanahan's words, "elegantly registers contemporary credit scoring's treatment of individuals as bundles of information."<sup>103</sup> Caricature describes an overabundance of detail and exaggeration, exemplified by Shteyngart's overloaded physical descriptions of his characters as well as his presentation of expansive collections of arbitrary data about them (yearly income, alimony and child support obligations, sock and underwear preferences, LDL cholesterol levels and so on).<sup>104</sup> These caricatured descriptions make the characters in *Super Sad* appear "too particular and too eccentric" to be credible characters in the tradition of the realist novel (the model for the 19<sup>th</sup> century regime of credit evaluation).<sup>105</sup>

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<sup>101</sup> McClanahan, Annie. *Dead Pledges: Debt, Crisis, and Twenty-First-Century Culture*. Stanford: Stanford University Press, 2017, 67.

<sup>102</sup> Ibid., 68.

<sup>103</sup> Ibid., 68-9.

<sup>104</sup> Ibid., 69.

<sup>105</sup> Ibid., 69.

McClanahan cites sociologist Michael Curry's use of caricature to describe "the modern digital self in an age of credit-data accumulation" – the feeling of being treated "not like 'me' but as a caricature."<sup>106</sup> The alienating feeling caused by being presented with one's credit data is not the "anxiety of reduction but the anxiety of excess, the experience of being defined not by a carefully limited array of personal details but by an indefinite accumulation of data."<sup>107</sup> It is here that McClanahan makes the connection back to Deleuze's essay, suggesting that the exaggerated, overdetailed, overwhelming accumulation of information compiled on each of us, and, I would add, not only by the credit bureaus, but by all manner of corporate surveillance exemplified by companies like Amazon, Google, Facebook, etc., constitutes us as *dividuals*—"the divided data bodies of late capitalism"—as opposed to the stable, self-possessed, and responsible *individuals* assumed by Lazzarato, Nietzsche, and Marx.

In some sense, the infrastructures of control operating through technologies of surveillance, recording, and instant communication act as a form of externalized memory on steroids; accumulating data stored in the memory of a networked machinic infrastructure that determines access to credit (and a whole host of other services and social goods) based on algorithmically-driven risk calculations and score/rating formulae. In this light, the importance of "breeding" individuals who know how to keep their promised debt obligations through the mechanisms of internalized cruelty (feelings of guilt) no longer appears to be paramount, as this function has largely been externalized into an assemblage of technical machines that perform the work of accounting for the entire populations' credits and debits. The world of indebted control certainly appears to

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<sup>106</sup> Ibid.

<sup>107</sup> Ibid., 71.

be a far cry away from the intimate power relations between creditors and debtors envisaged by Nietzsche.<sup>108</sup>

The specific techno-politics of this securitized and quantified world of control by risk forms only a partial basis for McClanahan's critique of Lazzarato's account of the neoliberal debt economy. She also takes issue with what she calls Lazzarato's "Foucauldian narrative" emphasizing a shift from "direct physical coercion to more ideological forms of self-discipline."<sup>109</sup> To the contrary, McClanahan's contends, "history has arced in the opposite direction," citing empirical evidence showing that much of the American population has structurally and collectively come to depend on debt for "economic survival."<sup>110</sup> Her analysis shows that neoliberal governmentality substitutes expanded consumer credit for real wage increases, allowing businesses to cut costs while workers are forced to rely on credit to maintain a middle-class standard of living and, more frequently, to pay for basic necessities like healthcare, rent and groceries.

In support of this line of argument, the transformations I described in markets for public debt have made it such that cities and states are also more dependent than ever on debt-financing and maintaining high credit ratings in order to fund basic services and obligations.<sup>111</sup> Furthermore, McClanahan cites Adrienne Roberts' work showing a post-crisis rise in highly coercive methods of debt collection and the return of incarceration as a form of punishment for "undeserving" debtors – working class and poor borrowers who

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<sup>108</sup> Nietzsche, Friedrich Wilhelm, Keith Ansell-Pearson, and Carol Diethe. *On the Genealogy of Morality*. Cambridge Texts in the History of Political Thought. New York: Cambridge University Press, 1994, 49.

<sup>109</sup> McClanahan, *Dead Pledges: Debt, Crisis, and Twenty-First-Century Culture*, 79.

<sup>110</sup> *Ibid.*, 79.

<sup>111</sup> Hackworth, Jason R. *The Neoliberal City: Governance, Ideology, and Development in American Urbanism*. Ithaca: Cornell University Press, 2007, 24-26.

just so happen to be disproportionately black and Latino.<sup>112</sup> McClanahan uses this evidence to argue that Lazzarato and other debt theorists who have focused on the psychic and affective dimensions of debt have failed to account for how debt acts as a “brute material force” targeting the body and not just the conscience.<sup>113</sup>

In her own reading of Marx’s “Essay on James Mill,” McClanahan argues, “the very fact that the debtor’s body serves as the ultimate collateral for the loan means that in the end there is no need for either accountability or for guilt, let alone ethics or subjectivity.”<sup>114</sup> While the debtor may have bought into the “oft-described neoliberal logic of entrepreneurship,” believing that taking on debt is an investment in her future human capital, McClanahan thinks that “she is more likely to feel that she has no other option.”<sup>115</sup> In her account of the effects of debt in neoliberal culture, debt’s *affective* production of personal shame, stigma and guilt is of only secondary importance compared to its brute material effect as a form of impersonal structural violence.<sup>116</sup>

In my estimation, however, by claiming that Lazzarato has totally failed to account for the material force of debt due to his focus on its ethical dimension, McClanahan overplays her hand. For starters, Lazzarato’s deepest theoretical influences are Marxist and Deleuzian and so it would be quite strange for him to focus solely on the supposedly “ideological” effects of credit and debt while completely ignoring the material. Moreover, Lazzarato would likely reject McClanahan’s attempt to separate the material from the ideal and to associate Foucault with “ideology,” a term that Foucault

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<sup>112</sup> McClanahan, 79-80. Roberts, A. “Doing Borrowed Time: The State, the Law and the Coercive Governance of ‘Undeserving’ Debtors.” *Critical Sociology* 40, no. 5 (September 1, 2014): 669–87. doi:10.1177/0896920513507788.

<sup>113</sup> McClanahan, 80-83.

<sup>114</sup> Ibid., 95.

<sup>115</sup> Ibid., 95.

<sup>116</sup> Ibid., 80.



himself flatly rejected.<sup>117</sup> A closer reading of *The Making of the Indebted Man* and his subsequent book *Governing by Debt*, shows that, despite his focus on subjectivity and ethics, Lazzarato does not ignore the material effects of credit and debt. In fact, he argues explicitly:

Morality, the promise, and one's word are mostly insufficient to guarantee debt repayment. To have a real 'hold' on subjectivity, there must also be legal and police 'machines' (Marx) as well as mnemotechnical 'machines' in effect which work on and manufacture the subject (Nietzsche).<sup>118</sup>

Lazzarato is fully aware of Nietzsche's lesson that morality always involves force and violence to instantiate itself, and Marx's insight that capital uses the power of the state, the law and the police (not just the "silent compulsion" of the market) to secure the conditions for class domination and capital accumulation. Lazzarato insists that "debt/money" must get a "hold" on its subjects by, on the one hand, what he calls "social subjection" at the molar level of the individual, conscience, memory (i.e. the focus of McClanahan's criticism), and on the other, through what he calls "machinic subjugation" operating at the molecular, "intrapersonal," and "pre-individual" level.<sup>119</sup>

Echoing Deleuze and Guattari's call in *Anti-Oedipus* to consider desire not in terms of its representations, but in terms of the machines it forms, Lazzarato argues, "Machines are everywhere except in critical theory."<sup>120</sup> He thinks that machines and signs (the semiotic engines of these machines, i.e. "code") "form enormous networks

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<sup>117</sup> See Foucault, Michel, and Colin Gordon. *Power/knowledge: Selected Interviews and Other Writings, 1972-1977*. 1st American ed. New York: Pantheon Books, 1980, 102, 118. My insistence on theorizing neoliberalism and credit/debt in the Foucauldian terms of "governmentality" is specifically intended to avoid this kind of privileging of "knowledge"/ideas/representation over "power"/material/structure or vice versa, and instead to show how these phenomena are always assemblages of both.

<sup>118</sup> Lazzarato, *The Making of the Indebted Man*, 146.

<sup>119</sup> Ibid., 146.

<sup>120</sup> Lazzarato, Maurizio, and Joshua Jordan. *Governing by Debt*. South Pasadena, CA: Semiotext(e), 2015, 23.

which are at once apparatuses of valorization, of the production of subjectivity, and of police control.”<sup>121</sup> Lazzarato argues that the transversality of the signs and machines of the debt economy, integrating human and non-human components, allows neoliberal capitalism to exercise both granular and global control.<sup>122</sup> For instance, he argues that using a credit card is a “machinic function” that works without “a subject who *acts*” but instead a “dividual that *functions* in an ‘enslaved’ way to the sociotechnical apparatus of the banking network.”<sup>123</sup> The dividual swiping the card in this case is only a human “operator” or “element” in the “sociotechnical” machinery or series of machines that communicate amongst themselves and with other human and non-human elements.<sup>124</sup> Late capitalism now relies on a vast array of machines through which we function in our daily lives, not least of which are the credit cards, banking websites, ATMS, databases, computers, internet, smart phones, apps, trading platforms, risk models and credit scoring formulas, which interface with the humans that use them to create the infrastructure that makes debt intelligible and such a powerful means of control.

For Lazzarato, it is at the level of the machinic where Foucault’s concept of governmentality comes up a bit short in that it remains focused on the power/knowledge relations governing the conduct of individuated subjects rather than looking at the sociotechnical machines that dismantle the subject in order to press its many dividends into serving the machines’ functional ends.<sup>125</sup> For the most powerful companies operating in the business of profiting from collecting personal data, like Facebook or Google,

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<sup>121</sup> Ibid., 24.

<sup>122</sup> Ibid.

<sup>123</sup> Lazzarato, *The Making of the Indebted Man*, 147-8.

<sup>124</sup> Ibid., 148. Lazzarato, *Governing by Debt*, 23.

<sup>125</sup> Lazzarato, *The Making of the Indebted Man*, 150.

humans are treated less as individual subjects as they are “platform[s] for the exchange and transformation of information.”<sup>126</sup> Similarly, for the financial firms creating and trading debt derivatives, individual borrowers become, on the one hand, bundles of data determining risk level/credit score, and on the other, streams of interest to be funneled and packaged into a range of products for similarly disembodied investors/creditors with no personal knowledge of or relation to the debtors at the other end of the chain.

This is all to say that Lazzarato does not miss the machinic/material side of the neoliberal debt economy, as McClanahan claims he does, but, to the contrary, thinks that the material and affective are both essential to understand and in fact always function together. He portrays the impersonal, machinic, and structural side of capitalism in such a way that it must be understood in conjunction with the work being done through the morality of the responsible individual who is constantly being “subjected” along the divide of human capital/indebted man. As he says, capitalism and its governmentality cannot be reduced to a “mere subjective power” or to an “impersonal and automatic power exercised by technical or cybernetic machines;” neoliberal governmentality, and creditor-debtor relations in particular, function successfully because they operate simultaneously on both registers.<sup>127</sup>

It is somewhat strange that McClanahan wants to downplay credit/debt’s ability to shape conduct through affective suasion based in personal feelings of shame, guilt, fear, and anxiety, and insists that, at the end of the day, debt should mainly be considered an impersonal and structural force. Strange because she argues that while there has been a “radical shift in the formal logic and outward appearance of credit evaluation”—from a

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<sup>126</sup> Lazzarato, *Governing by Debt*, 184.

<sup>127</sup> *Ibid.*, 164-5.

“qualitative narrative model” based on “a finite set of typifying characteristics” to a model in which “a vast and indefinite number of data points are fed through a quantitative algorithm” to create a range of “highly individualized microassessments”—credit scoring and credit evaluation in general “cannot leave subjective personhood behind, since the very category of ‘creditworthiness’ remains a quality of individuals rather than of data.”<sup>128</sup> It is not just that qualitative and arbitrary factors are still in play – the very logic of creditworthiness/indebtedness is socially determined in such a way as to betray all attempts to fully clothe it in the objectivity of numbers. She argues that the “discourse of personal responsibility and moral rectitude is at least as resonant in the language of ‘behavior’ as it was in the discourse of moral character and personal characteristics.”<sup>129</sup> Despite the newfound “granularity” of data, quantitative techniques of analysis, and continuous credit monitoring and surveillance, the credit score or credit rating remains, according to McClanahan, “intractably social insofar as it determines an individual’s position within the social logic of the marketplace.”<sup>130</sup> Here she seems to concur with Lazzarato who insists that while “[c]apitalism would have us believe that it functions like an automaton, that there is no alternative precisely because the market, the stock market, and the debt economy are governed by automatic operations,” these operations and their machines are “always the result of a political victory over conducts.”<sup>131</sup>

### **III. Blackboxed Racism and the Return of the Debtor’s Prison**

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<sup>128</sup> McClanahan, Annie. *Dead Pledges: Debt, Crisis, and Twenty-First-Century Culture*. Stanford: Stanford University Press, 2017, 65.

<sup>129</sup> Ibid.

<sup>130</sup> Ibid., 66.

<sup>131</sup> Lazzarato, *Governing by Debt*, 165.

McClanahan reinforces the view of the debt economy as intractably social and political in her analysis of an advertising campaign by FreeScore.com entitled “The Three Score Guys,” in which a consumer’s credit scores from all three major credit bureaus are personified by men wearing black body suits emblazoned with each score.<sup>132</sup> Two of the scores are good, depicted by handsome and athletic white men, while one is lower, depicted by a short, tubby, balding man wearing a hockey mask (seemingly invoking the serial killer Jason from the *Friday the 13<sup>th</sup>* horror films). McClanahan notes the visual contrast between fitness and fatness “registers the association between personal responsibility and fiscal credibility.”<sup>133</sup> In this ad the quantified measures of creditworthiness/unworthiness are translated back into “biopolitical norms” associating physical fitness with health/credibility and obesity with irresponsibility/profligacy.<sup>134</sup> Most importantly, McClanahan also notes the ad’s racialization: the men portraying the scores are “neutrally white precisely to avoid implying any essentialized link between particular scores and particular ethnicities.”<sup>135</sup> However the figures’ whiteness and maleness betray a “desperate attempt to disavow the link between credit and race.”<sup>136</sup>

Here McClanahan raises the question of credit/debt’s racialized management of “both the individual body and the species body of the population” through the quantified techniques of credit scoring and control by risk.<sup>137</sup> Despite Lazzarato’s focus on debt as the site of contemporary class struggle, his insistence on the joint functioning of ethics and economics to shape subjectivity, his concern over the alienating effects of the turn to

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<sup>132</sup> McClanahan, *Dead Pledges*, 55.

<sup>133</sup> Ibid.

<sup>134</sup> Ibid.

<sup>135</sup> Ibid., 72.

<sup>136</sup> Ibid.

<sup>137</sup> Ibid., 55.

“human capital,” and his attention to the dynamics of “machinic enslavement” enacted through the credit infrastructure, nowhere does he concern himself with race, nor the racial politics of debt, nor does he think to consider creditor-debtor relations in terms of the long history of settler colonialism, racial slavery, indebted servitude and various forms of ongoing accumulation by dispossession that we explored, however briefly, in the previous chapter.

Lazzarato speaks of the injustice of humans being turned into money or capital, and the danger of modern forms of enslavement without mentioning the actual history of racial capitalism and the slave economy in which, historian Walter Johnson remarks, “*Enslaved people were the capital;*” slaves performed the physical labor, the reproductive labor, and acted as the collateral securing the circulation of credit necessary to keep the cotton planters in business.<sup>138</sup> Nor does Lazzarato mention slavery’s transformation, after Emancipation, to another regime of forced labor enacted and legitimated by debt. Despite his mention of social subjection being supplemented by legal and police compulsion, he does not explore contemporary connections between racialized indebtedness and mass incarceration. Perhaps, like Foucault, he suffers from a case of Eurocentric myopia, but this does not excuse the glaring hole in his account because these phenomena certainly extend to Europe and beyond. Lazzarato is not alone in this oversight; most of the critical literature on debt and finance remains silent on this question allowing the neoliberal rhetoric of post-racialism and colorblindness to go unchallenged.

Perhaps then, couched in her criticism of Lazzarato and the burgeoning literature on debt, is McClanahan’s sense that the theoretical scholarship has failed to attend to

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<sup>138</sup> Johnson, Walter. “To Remake the World: Slavery, Racial Capitalism, and Justice.” *Boston Review Forum 1: Race, Capitalism, Justice* 2017, 11-31.

debt's most brutal contemporary function as a vehicle for the continuing racial domination of minority populations and as a covert tool of white supremacy. Racial discrimination was not eliminated in the debt economy's quantitative turn from the logic of screening/exclusion to the logic of risk/inclusion; its methods were transformed to suit the new political-economic reality of the post-Civil Rights era. As we will explore further in the next chapter, the turn to colorblindness, or as David Theo Goldberg calls it, "racelessness," developed first as an expression of the new civil rights regime, but then as a "reaction to state commitment to affirmative action."<sup>139</sup> As we saw, in light of the Equal Credit Opportunity Act and other legislation aimed at reducing inequalities and exclusions in market practices, there was a move not so much to comply with the egalitarian spirit of the new legislation, but to transform the credit rating and scoring process so as to appear as objective as possible by basing it on data about individualized behavior and not on prejudiced subjective judgments. However, as Frank Pasquale suggests, the quantification of credit scoring does not eliminate bias, but may actually serve to systematize it in hidden ways by "laundering past practices of discrimination into a blackboxed score."<sup>140</sup> While neoliberal governmentality cleanses its discursive framework of all overt mention of race (not to mention class, gender and other markers of difference and inequality), race continues to function by and through the black boxes of the debt economy.<sup>141</sup>

The evidence of this can be viewed in the disproportionate effects of the subprime housing crash and foreclosure crisis on communities of color. McClanahan cites a

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<sup>139</sup> Goldberg, David Theo. *The Threat of Race: Reflections On Racial Neoliberalism*. Malden, MA: Wiley-Blackwell, 2009, 330.

<sup>140</sup> Quoted. in McClanahan, *Dead Pledges*, 72.

<sup>141</sup> Goldberg, *The Threat of Race*, 334.

startling figure about the 2008 financial collapse: “every cent of the wealth accumulated by African American households in the post-civil rights era was lost as a result of the collapse of home and investment values.”<sup>142</sup> Housing policies and mortgage lending that had excluded African Americans from accumulating wealth through the “prime” segment of the real estate market—confining them to segregated neighborhoods through the practice of “redlining” in the first half of the 20<sup>th</sup> century—gave way to modes of predatory *inclusion* in the mortgage market through racially targeted “subprime” lending, dubbed “reverse-redlining.”<sup>143</sup> To note one prominent example, Wells Fargo settled a Federal case in 2012 that accused it of practices that specifically targeted African Americans and Latinos for “subprime” home loans with inflated and adjustable interest rates in Baltimore, Memphis, Oakland, Chicago, Cleveland and elsewhere. Wells Fargo and other banks’ reverse redlining practices contributed to a wave of foreclosures after the 2008 financial crash that disproportionately affected people of color,<sup>144</sup> wiping away, in the words of one journalist, “two decades of slow progress.”<sup>145</sup>

The complaint revealed that Wells Fargo created a unit called the “Affinity Marketing Group,” based in Silver Spring, Maryland, that employed African American loan officers to specifically target African Americans in and around Baltimore for subprime loans, which the team referred to internally as “ghetto loans.”<sup>146</sup> During the

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<sup>142</sup> Ibid., 9.

<sup>143</sup> Ibid., 71-2; Joseph, Miranda. *Debt to Society*, 5.

<sup>144</sup> Broadwater, Luke. “Settlement calls for payments of \$7.5 million to city of Baltimore, \$2.5 million directly to 1,000 area residents.” *The Baltimore Sun*, July 12, 2012. [http://articles.baltimoresun.com/2012-07-12/news/bs-md-ci-wells-fargo-20120712\\_1\\_mike-heid-wells-fargo-home-mortgage-subprime-mortgages](http://articles.baltimoresun.com/2012-07-12/news/bs-md-ci-wells-fargo-20120712_1_mike-heid-wells-fargo-home-mortgage-subprime-mortgages). (accessed September 16, 2016)

<sup>145</sup> Powell, Michael. “Blacks in Memphis Lose Decades of Economic Gains.” *The New York Times*, May 30, 2010. <http://www.nytimes.com/2010/05/31/business/economy/31memphis.html>. (accessed September 16, 2016).

<sup>146</sup> Joseph, *Debt to Society*, 5; Coates, Ta-Nehisi. “The Case for Reparations.” *The Atlantic Monthly*, June 2014. <http://www.theatlantic.com/features/archive/2014/05/the-case-for-reparations>



course of the housing boom, many more African American and Latino/a homeowners were pushed into high-cost subprime mortgage credit than whites, even when they qualified for prime credit on better terms, and even when they weren't seeking credit in the first place.<sup>147</sup> Putting the lie to banking and credit institutions' own claims that the quantified techniques of credit scoring do not discriminate based on race, gender, or class, McClanahan argues that the record shows that "the allocation and price of credit in the United States are in fact stratified along precisely those lines."<sup>148</sup>

How then does predatory inclusion in credit markets work to constitute and target racialized "subprime" populations in spite of supposedly sophisticated, technical and colorblind techniques? McClanahan suggests the key is that an individual borrower's credit score is always calculated and understood in a statistical relation to "a larger collective body . . . a group, a neighborhood, an economic class or, most often, a race."<sup>149</sup> The disproportionately destructive effects of subprime credit on black and brown borrowers suggest that despite the use of evaluation techniques calculating the terms of credit based on behavioral data, the interpretation of these data remains socially and historically mediated and continues to determine one's creditworthiness based on stereotypical markers of race and class.<sup>150</sup>

To return for a moment to McClanahan's reading of characterization in *Super Sad*, she suggests that while Shteyngart presents "excessively particular data-persons" on the one hand, the "Credit Poles," which read characters' economic data from their

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<sup>147</sup> Elvin Wyly et al. "Cartographies of Race and Class: Mapping the Class-Monopoly Rents of American Subprime Mortgage Capital. *International Journal of Urban and Regional Research* 33, no. 2 (2009), 332-54.

<sup>148</sup> McClanahan, *Dead Pledges*, 71.

<sup>149</sup> *Ibid.*, 66.

<sup>150</sup> *Ibid.*, 66-7.

“apparat” devices, use this data to display racially and ethnically targeted ads.<sup>151</sup> Hence the caricatures produced by an excess of data are reduced down to flattened stereotypes depicting, for instance, all Chinese as miserly or all Latinos as spendthrift.<sup>152</sup> Shteyngart’s novel shows how the internal logic of credit scoring depends on stereotyping and racialization as a consequence of the imperative to reduce “an excess of data into a three-digit score.”<sup>153</sup>

The model of control by risk seeks to include borrowers previously excluded from the marketplace (i.e. African Americans historically redlined from credit), because there are profits to be made from the high interest rates legally charged to “risky” borrowers with lower credit scores, as well as from the fees generated by securitizing and selling their debt. Those targeted for “inclusion” in this way are constituted into the “stereotypical category of the ‘subprime population’” which just so happens to correspond to same racialized populations, particularly African Americans, who, since being emancipated from slavery, have been barred from owning property, indebted to usurious landlords, criminalized and sold as convict labor and throughout been castigated by whites as profligate, unreliable, and “undeserving” debtors.<sup>154</sup>

In his essay “The Subprime and the Beautiful,” Fred Moten argues that blackness has been associated at different times throughout colonial history with the markers of “complete disorder” and “dereliction” such as rape, crime, and AIDS, and now, in the contemporary United States, “whoever says ‘subprime debtor’ says black as well.”<sup>155</sup> As

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<sup>151</sup> Ibid., 74.

<sup>152</sup> Ibid., 71.

<sup>153</sup> Ibid., 73-4.

<sup>154</sup> See Coates, “The Case for Reparations,” *The Atlantic Monthly* (2014), as well as further elaboration in chapter 2 of this dissertation.

<sup>155</sup> Moten, Fred. “The Subprime and the Beautiful.” *African Identities* 11:2 (2013), 237-245.

we saw in the previous chapter, this is certainly nothing new. The subprime “crisis,” he argues, is simply the “disruption and resocialization of an already given crisis”: that of the ongoing domination and exploitation of black people by and through the white supremacist power relations of racial capitalism.<sup>156</sup> Neoliberal governmentality describes an open set of techniques and strategies which maintain a highly unequal and racist social order under the legitimating cover of promoting, deregulating and expanding competitive private markets and marketizing social and governmental institutions – foremost among them the criminal justice system.<sup>157</sup> Moten draws our attention to the wider history of struggle in which the quantified neoliberal condemnation of blackness and attempt at racial control by debt is situated.

The dynamics of predatory inclusion in the formal credit markets that led to the creation and exploitation of “subprime” populations of black and Latino debtors correspond to what both McClanahan and Roberts identify as a post-crisis coercive and carceral turn in the treatment of those considered to be “undeserving” debtors.<sup>158</sup> Roberts cites creditor-friendly changes to bankruptcy laws, the rise of a powerful and savvy debt buying and collections industry using coercive tactics and lawsuits to collect from unsophisticated working-class and poor debtors, and the explosion of what has been termed “criminal justice debt” as factors leading to the reemergence of debtor’s prisons in

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<sup>156</sup> Ibid.

<sup>157</sup> For a sociological account of neoliberalism’s racialized effect on the criminal justice system in the United States see Wacquant, Loïc J. D. *Punishing the Poor: The Neoliberal Government of Social Insecurity*. Politics, History, and Culture. Durham [NC]: Duke University Press, 2009. For an account that illustrates the intersection of criminal justice and poverty governance see Soss, Joe, Richard C. Fording, and Sanford Schram, eds. *Disciplining the Poor: Neoliberal Paternalism and the Persistent Power of Race*. Chicago Studies in American Politics. Chicago ; London: University of Chicago Press, 2011.

<sup>158</sup> McClanahan, *Dead Pledges*, 79-80.

the United States in recent years.<sup>159</sup> While it remains illegal to incarcerate people for debts they are unable to pay, prison time may result from failure to appear in court and in some jurisdictions those facing fines or fees may voluntarily agree to jail time in lieu of monetary payment. Roberts' research also shows that it is not only the debt buying industry looking to profit, but also municipalities seeking to download "costs onto individual 'users,' or clients' of services," adding to the "growing indebtedness of the primarily poor and disproportionately black and Latino population."<sup>160</sup>

After the police killing of Michael Brown in Ferguson, Missouri in August 2014, an investigation by the Civil Rights division of the U.S. Department of Justice revealed a local criminal justice system strongly reminiscent of the profiteering convict-leasing system of the postbellum South.<sup>161</sup> The report details a policing and court system focused almost exclusively on extracting revenue from black residents through unnecessary arrest, excessive ticketing and innumerable fees and fines.<sup>162</sup> As the report states, these practices "impose a particular hardship upon Ferguson's most vulnerable residents . . . Minor offenses can generate crippling debts, result in jail time because of an inability to pay, and result in the loss of a driver's license, employment, or housing."<sup>163</sup>

Historian Donna Murch suggests that Ferguson is only the tip of the iceberg. She describes a complex extractive carceral apparatus involving "interlocking webs of public and private predation" that together constitute what she calls "the new debtors"

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<sup>159</sup> Roberts, A. "Doing Borrowed Time: The State, the Law and the Coercive Governance of 'Undeserving' Debtors." *Critical Sociology* 40, no. 5 (September 1, 2014): 669–87. doi:10.1177/0896920513507788.

<sup>160</sup> Ibid.

<sup>161</sup> U.S. Department of Justice, Civil Rights Division. "Investigation of the Ferguson Police Department." March 4, 2015. [https://www.justice.gov/sites/default/files/opa/press-releases/attachments/2015/03/04/ferguson\\_police\\_department\\_report.pdf](https://www.justice.gov/sites/default/files/opa/press-releases/attachments/2015/03/04/ferguson_police_department_report.pdf) (accessed September 16, 2016).

<sup>162</sup> Ibid.

<sup>163</sup> Ibid.

prison.”<sup>164</sup> This apparatus involves both private debt such as payday loans, student loans, medical debt, mortgages, etc., combined with “criminal justice debt . . . an unwieldy set of financial obligations consisting of fines, fees, and restitution payments” imposed at every stage of the criminal justice process, including “jail booking fees and per diems for pretrial detention, bail investigation fees, cost of drug and DNA testing, court costs and felony surcharges,” and, in forty-one states, the cost of imprisonment itself.<sup>165</sup> Low income people and people of color, already facing the difficulties of private indebtedness and disproportionate policing and incarceration,<sup>166</sup> are then hit with criminal justice debt, which not only poses a serious financial burden, but can further hinder access to employment and housing due to required credit checks that act as “de facto indicators of incarceration history,” effectively nullifying the victories of activists who struggled successfully to “ban the box” requiring job applicants to list prior felony convictions.<sup>167</sup>

While for-profit privately run prisons have been singled out as particularly egregious actors in this scenario, private firms and contractors as well as state governments extract profits up and down the line of the state and Federal criminal justice system by charging for services like phone calls, healthcare, and electronic monitoring and then devolving the costs to the incarcerated themselves.<sup>168</sup> Criminal justice debt adds a vicious new dimension to the carceral cycle of prison, probation, and parole because relatively minor unpaid debts can lead to a unpayable fees, arrest, incarceration, the loss

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<sup>164</sup> Murch, Donna. “Paying for Punishment: The New Debtors’ Prison.” *Boston Review*, August 1, 2016. <https://bostonreview.net/editors-picks-us/donna-murch-paying-punishment>. (accessed September 16, 2016)

<sup>165</sup> Ibid.

<sup>166</sup> See esp. Alexander, Michelle, and Cornel West. *The New Jim Crow: Mass Incarceration in the Age of Colorblindness*. Revised edition. New York: New Press, 2012.

<sup>167</sup> Murch, “Paying for Punishment,” 2016.

<sup>168</sup> Ibid. See also Markowitz, Eric. “Making Profits on the Captive Prison Market.” *New Yorker*, September 4, 2016. <http://www.newyorker.com/business/currency/making-profits-on-the-captive-prison-market> (accessed September 16, 2016)

of work, loss of professional licenses,<sup>169</sup> mounting debt and thus the inability to get oneself back to a position of solvency.

The racial politics of debt help to explain why the persistent racial wealth gap in America widened after the Great Recession, with median white households holding thirteen times more wealth than median black households and ten times that of median Latino households as of 2013.<sup>170</sup> A 2015 report by the Pew Charitable Trusts entitled “The Complex Story of American Debt” confirms this disparity, reporting that the typical white family making less than \$40,000 a year has nearly 18 times the assets of the typical black family in the same income bracket.<sup>171</sup> Black households making below \$40,000 actually display a negative median net worth, with debt outweighing assets by 2 to 1.<sup>172</sup> Imagine the crushing psychological effect of playing by the rules, working hard, achieving the dream of homeownership, and then suddenly being saddled with an underwater mortgage, unpayable debts and a negative economic net worth. Of course, this scenario applied to a great number of white families who suffered in the wave of foreclosures after the mortgage meltdown; however subprime credit and the foreclosure catastrophe affected black and Latino households in far greater proportion.<sup>173</sup> As remarked by one African American homeowner in Memphis who faced bankruptcy and

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<sup>169</sup> See Barbaro, Michael. “When Unpaid Student Loans Mean You Can’t Work.” *The Daily Podcast.* “The New York Times, December 15, 2017. <https://www.nytimes.com/2017/12/15/podcasts/the-daily/student-loan-debt-licenses.html> (accessed January 25, 2018)

<sup>170</sup> Murch, “Paying for Punishment,” 2016.

<sup>171</sup> “The Complex Story of American Debt: Liabilities in Family Balance Sheets.” The Pew Charitable Trusts, July 2015. <http://www.pewtrusts.org/en/research-and-analysis/reports/2015/07/the-complex-story-of-american-debt>

<sup>172</sup> Ibid.

<sup>173</sup> Wyly, Elvin, Markus Moos, Daniel Hammel, and Emanuel Kabahizi. “Cartographies of Race and Class: Mapping the Class-Monopoly Rents of American Subprime Mortgage Capital.” *International Journal of Urban and Regional Research* 33, no. 2 (June 2009): 332–54. <https://doi.org/10.1111/j.1468-2427.2009.00870.x>; Wyly, Elvin, C. S. Ponder, Pierson Nettling, Bosco Ho, Sophie Ellen Fung, Zachary Liebowitz, and Dan Hammel. “New Racial Meanings of Housing in America.” *American Quarterly* 64, no. 3 (2012): 571–604. <https://doi.org/10.1353/aq.2012.0036>.

foreclosure after agreeing to refinance his mortgage at an adjustable rate during the pre-Recession boom, “I’m proud of what I’ve accomplished. But my whole life is backfiring.”<sup>174</sup>

#### **IV. Conclusion**

McClanahan and others build a highly compelling case for the “brute material force” of debt in the 21<sup>st</sup> century as much of the American population has become structurally dependent upon debt for survival, predatory credit serves to mark out racialized populations slated for future dispossession, and an increasingly financialized state apparatus and justice system which demands that the incarcerated pay back their “debt to society” not only in time served, but in actual dollars as well. However, McClanahan’s attempt to sever debt’s structural and repressive effects from its intimate, affective, subjectivity shaping, “productive” side, seems unnecessary and unwarranted. She herself appears to marvel at the dual capacity of credit and debt to work at the most intimate and most macro of scales. She notices the persistence of personhood and racialized stereotypes within the neoliberal credit scoring techniques and apparatuses intended to give off the appearance of objective, automatic, scientific authority. Perhaps McClanahan appears intent on disavowing debt’s ability to make one feel anxious and responsible for one’s own fate not so much because this dimension is no longer important, but precisely because she recognizes that herein lies debt’s uncanny power to

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<sup>174</sup> Quoted in Powell, Michael. “Blacks in Memphis Lose Decades of Economic Gains.” *The New York Times*, May 30, 2010. <http://www.nytimes.com/2010/05/31/business/economy/31memphis.html>. (accessed September 16, 2016).

mask its structural origin and make itself appear as the result of a free choice, a character flaw, or a cultural or racial deficiency.

In fact, this is precisely why it is important to understand debt in relation to the dominant norms of entrepreneurial subjectivity. Lazzarato and McClanahan would seem to agree that the creditor-debtor relation is indeed the linchpin of neoliberal governmentality, forming its very infrastructure and internal logic. That being the case, as Jean François Bissonnette argues, “the ability to manage one’s finances by striking the “delicate balance between the benefits of credit and the risks of debt” has become, under neoliberalism, the normative standard against which individuals, populations, businesses, organizations and states are judged capable or incapable of self-government.<sup>175</sup> Lazzarato argues that this is precisely what being an “entrepreneur” has come to mean: managing one’s debts, the cuts to one’s wages, hours, and benefits, one’s loss of public services; in other words “hustling” harder<sup>176</sup> to manage one’s downward mobility in a way that lets one avoid becoming irrevocably indebted.

As Miranda Joseph eloquently puts it in her recent work *Debt to Society*, “The ideal entrepreneurial subject of neoliberalism lives only one side of a contradiction: she borrows and invests to build a future for herself and her family. Meanwhile, she somehow avoids the dialectic that transforms credit received into a debt and binds the present to the past.”<sup>177</sup> Part of neoliberal governmentality, as Lazzarato and Joseph point

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<sup>175</sup> Jean François Bissonnette. "Resisting the Discipline of Debt: The Unfulfilled Radicalism of the 2012 Quebec Student Strike." *Theory & Event*. 18, no. 3 (2015) <https://muse.jhu.edu/> (accessed October 22, 2015).

<sup>176</sup> For an excellent critique of the imperative to “hustle” harder under neoliberalism, see Spence, Lester K. *Knocking the Hustle: Against the Neoliberal Turn in Black Politics*. Brooklyn, New York: punctum books, 2015, and Spence, Lester K. *Stare in the Darkness: The Limits of Hip-Hop and Black Politics*. Minneapolis: University of Minnesota Press, 2011.

<sup>177</sup> Joseph, Miranda. *Debt to Society: Accounting for Life Under Capitalism*. Minneapolis: University of Minnesota Press, 2014, 62.



out, is an ongoing disavowal that finance/credit leads to the accrual of debt and the production, exploitation, enslavement and gradual destruction of indebted subjects. Indeed, in relation to this point Joseph makes the connection to Lauren Berlant's concept of "slow death," which Berlant defines as "the physical wearing out of a population and the deterioration of people in that population that is very nearly a defining condition of their experience and historical existence."<sup>178</sup> While Berlant discusses obesity and capitalism in her essay, Joseph makes the parallel to debt, suggesting that recent financial crises brought scrutiny for a moment to something that had been there all along: the slowly dying and deteriorating population for whom the debt-reliant norms of entrepreneurial conduct act simultaneously as "life building" and life destroying.<sup>179</sup> Credit entices, promises, and offers a way of getting by, while debt slowly accrues, binds, and asphyxiates. This is why, as Joseph remarks, "the norm of entrepreneurial subjectivity is likely to be inhabited in the mode of failure."<sup>180</sup>

This fraught condition of the indebted neoliberal subject produces, according to the Institute for Precarious Consciousness (IPC), anxiety as its dominant affect.<sup>181</sup> Anxiety, they argue, has become dominant in a number of ways from the "omnipresent web of *surveillance*" to "voluntary self-exposure, through social media," to precarious forms of employment, which treat people as disposable; however the divided neoliberal subject—potentially successful entrepreneur/potentially failed debtor—seems to be a crucial force multiplier for the spread of anxiety throughout society. IPC argues that

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<sup>178</sup> Berlant, Lauren. "Slow Death (Sovereignty, Obesity, Lateral Agency)." *Critical Inquiry*. 33, no. 4 (2007): 754-80. doi:10.1086/521568.

<sup>179</sup> Joseph, Miranda. *Debt to Society: Accounting for Life Under Capitalism*. Minneapolis: University of Minnesota Press, 2014, 61.

<sup>180</sup> *Ibid.*, 62.

<sup>181</sup> Plan C. "Six Theses on Anxiety and Why It is Effectively Preventing Militancy, and One Possible Strategy for Overcoming It." 2014. <https://www.weareplanc.org/blog/we-are-all-very-anxious/>

“control-by-anxiety” has become the “linchpin of subordination” to the extent that action is motivated by everyone’s internalized suspicion that the necessities of life are no longer guaranteed (as rights, benefits, entitlements), but are withheld conditionally based on a constant evaluation of one’s conduct, performance, and, indeed, perceived creditworthiness.<sup>182</sup>

According to IPC, anxiety and stress are “public secrets”: they infuse the entire population and are the result of structural forces like the debt economy; however “[w]hen discussed at all, they are understood as individual psychological problems, often blamed on faulty thought patterns or poor adaptation.”<sup>183</sup> To the extent that systematic causes of anxiety go unmentioned or examined, they can fuel “obsessive projects of social regulation” that attempt to enact some measure of control by projecting latent anxiety onto minorities through scapegoating and criminalizing discourses, which “treat precarity as a matter of personal deviance, irresponsibility, or pathological self-exclusion.”<sup>184</sup>

As we shall see, the slow death of the indebted population, colorblind racism operating through technical algorithms and market processes, misplaced feelings of failure and anxiety: these phenomena have the joint effect of severely endangering democratic institutions and the norms and practices of democracy through which indebted control might be contested. Indeed, as Lazzarato cannily observes, debt endangers democratic life and inhibits resistance because the style of life it demands to secure repayment uses up the very time and energy needed to engage in these forms of

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<sup>182</sup> Ibid.

<sup>183</sup> Ibid.

<sup>184</sup> Ibid.

struggle.<sup>185</sup> I take up the question of the relation between debt and contemporary American democracy in the final chapter.

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<sup>185</sup> Lazzarato, *The Making of the Indebted Man*, 49.

## 4 | Toward the Abolition of Indebted Democracy

“‘People say I’m a dictator,’ Mr. Orr chuckles. ‘I don’t appreciate that, but if I’m going to be one, I’m going to be benevolent.’”

— Kevyn Orr, Detroit Emergency Manager<sup>1</sup>

*“What is, so to speak, the object of abolition? Not so much the abolition of prisons but the abolition of a society that could have prisons, that could have slavery, that could have the wage, and therefore not abolition as the elimination of anything but abolition as the founding of a new society.”*

— Stefano Harney and Fred Moten<sup>2</sup>

Building off of my analysis in the previous chapter, which argued that the nexus of credit and debt is a crucial infrastructure of control supporting neoliberal governmentality and racial capitalism, in this chapter I explicate the ways in which indebted control erodes democratic values, institutions, modes of citizenship and forms of struggle, posing a severe threat to the unfinished project of democracy in America. To support this claim, the first part of the chapter offers a critique of Wendy Brown’s recent book *Undoing the Demos* in which she argues that neoliberalism poses a dire threat to democracy as we know it. I argue that, in failing to address the geo-temporal specificity of American neoliberalism and the living history of American democracy, Brown’s political vision misses both the centrality of debt to the antidemocratic neoliberal project, as well as the continuity between neoliberal and liberal democracies as racial projects founded on and operating via the supremacy of the white citizen. In order to provide a more nuanced and robust conception of democracy than that provided by Brown, I turn to

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<sup>1</sup> Quoted in Finley, Allysia. "Kevyn Orr: How Detroit Can Rise Again." *The Wall Street Journal*, sec. Opinion, August 02, 2013.

<sup>2</sup> Harney, Stefano, and Fred Moten. *The Undercommons: Fugitive Planning & Black Study*. Wivenhoe: Minor Compositions, 2013, 42.

the work of William E. Connolly, as well as several theorists in the black radical tradition including W. E. B. Du Bois, James Baldwin, Christina Sharpe, and Joel Olson.

In the second part of the chapter, I examine the intersection of democratic citizenship, whiteness, and credit. I argue that American democracy has been corrupted since its inception by the tyrannical power of the self-anointed “white” race; a power by which whites enjoy an *a priori* line of credit—what I term *white credit*—whiteness as a presupposed badge of moral rectitude, economic creditworthiness and full political citizenship, which is predicated on maintaining the degraded, indebted, and inferior status of people of color. I trace the ways in which white credit racially divides the democratic polity – from Nixon’s Southern strategy to Donald Trump’s rise to the Presidency. I contend that as white credit has been eroded by the neoliberal condition of generalized indebtedness outlined in the preceding chapter, there has been a corresponding resurgence of proto-fascist white nationalism embodied by the phenomena associated with “Trumpism.”<sup>3</sup>

In part three, I show how neoliberal governmentality’s slow erosion of democracy periodically gives way to the emergency temporality of the debt crisis, in which the rule of the demos is abruptly suspended to make way for a unilateral executive power to reinstate conditions of market activity and capital accumulation. I do so through a sustained analysis of the rhetoric and practices of emergency financial management governing insolvent cities and school districts in the state of Michigan, with a specific focus on the Detroit bankruptcy. I hypothesize that taken together, the features of neoliberal governmentality and indebted control have helped to sustain American racial

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<sup>3</sup> For another insightful take on this phenomenon, see Connolly, William E., *Aspirational Fascism: The Struggle for Multifaceted Democracy Under Trumpism*. Minneapolis: University of Minnesota Press, 2017.

capitalism and “white democracy” into the post-civil rights era. I conclude the chapter with a call for debt abolition coupled with reimagining debt altogether. Taken together, I contend that these theoretical and practical interventions might help to foment fugitive movements toward what Du Bois calls an “abolition-democracy,” firmly committed to dismantling the political economy of white supremacy in its contemporary guises.

## **I. Neoliberalism in a White Democracy**

Wendy Brown’s 2015 work *Undoing the Demos: Neoliberalism’s Stealth Revolution*, provides my point of departure to examine how the neoliberal governmentality of indebted control described in the previous chapter erodes democratic values, institutions, modes of citizenship and forms of struggle today. In *Undoing*, Brown discusses credit and debt only tangentially, setting her sites instead on what she argues are the democracy-eroding effects of “neoliberalism,” broadly construed as a “distinctive mode of reason, of the production of subjects, a ‘conduct of conduct,’ and a scheme of valuation,” which “configures all aspects of existence into economic terms.”<sup>4</sup> Brown notes that after three decades of rich interdisciplinary scholarship on the subject of neoliberalism, it must be acknowledged that neoliberalism is at once a “global phenomenon, yet inconstant, morphing, differentiated, unsystematic, contradictory, and impure.”<sup>5</sup> However, as a political theorist concerned with neoliberalism’s de-democratizing *effects*, Brown brackets its “spatial and temporal variability” in favor of an account of neoliberalism as a “distinctive form of reason” or “governing rationality.”<sup>6</sup>

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<sup>4</sup> Brown, Wendy. *Undoing the Demos: Neoliberalism’s Stealth Revolution*. 1. ed. New York, NY: Zone Books, 2015, 17, 21.

<sup>5</sup> *Ibid.*, 48.

<sup>6</sup> *Ibid.*, 50.

To focus on neoliberalism as a governing rationality, Brown follows Michel Foucault's account in the *Birth of Biopolitics* lectures. That work, she suggests, identifies neoliberalism as “discernible norms and principles that consistently distinguish it from classical economic and political liberalism, as well as from Keynesianism, social democracy, or state-owned and state-controlled economies.”<sup>7</sup> Despite neoliberalism's variable local instantiations, different techniques it employs, or policies it rolls out in different times and places, its logic persists. Drawing from Foucault's lectures that examine how neoliberal governmentality transformed classical liberalism, Brown portrays neoliberalism as an abstract political rationality that “disseminates the *model of the market* to all domains and activities—even where money is not at issue—and configures human beings exhaustively as market actors, always, only, and everywhere as *homo oeconomicus*.”<sup>8</sup> While she makes note of the deleterious effects attributed to neoliberalism by a range of critics in recent years—its intensification of inequality<sup>9</sup>, unethical commercialization of heretofore public goods,<sup>10</sup> creation of a state-corporate-finance nexus,<sup>11</sup> and contribution to bubbles, crashes, and increased market volatility<sup>12</sup>—

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<sup>7</sup> Ibid.

<sup>8</sup> Ibid., 31.

<sup>9</sup> See Reich, Robert B. *AfterShock: The Next Economy and America's Future*. New York: Alfred A. Knopf, 2010; Krugman, Paul R. *End This Depression Now!*. New York: W.W. Norton, 2012; Stiglitz, Joseph E. *The Price of Inequality*. New York: W.W. Norton & Co., 2012; Piketty, Thomas, and Arthur Goldhammer. *Capital In the Twenty-First Century*. Cambridge Massachusetts: The Belknap Press of Harvard University Press, 2014.

<sup>10</sup> See Satz, Debra. *Why Some Things Should Not Be for Sale: The Moral Limits of Markets*. New York: Oxford University Press, 2010; Sandel, Michael J. *What Money Can't Buy: The Moral Limits of Markets*. New York: Farrar, Straus and Giroux, 2012. For a more foundational text in political theory arguing against the commercialization of certain social goods, see Walzer, Michael. *Spheres of Justice: A Defense of Pluralism and Equality*. New York: Basic Books, 1983.

<sup>11</sup> Wolin, Sheldon S. *Democracy Incorporated: Managed Democracy and the Specter of Inverted Totalitarianism*. Princeton: Princeton University Press, 2008; Hacker, Jacob S., and Paul Pierson. *Winner-Take-All Politics: How Washington Made the Rich Richer-And Turned Its Back On the Middle Class*. 1st Simon & Schuster hardcover ed. New York: Simon & Schuster, 2010; Harvey, David, *The Enigma of Capital: And the Crises of Capitalism*. London: Profile, 2010.

<sup>12</sup> Smith, Yves. *Econned: How Unenlightened Self Interest Undermined Democracy and Corrupted Capitalism*. 1st Palgrave Macmillan pbk. ed. New York: Palgrave Macmillan, 2011; Mirowski, Philip.

it is neoliberalism's quiet undoing of the basic elements of democracy that raises the greatest alarm for her.<sup>13</sup>

Brown insists that the arch-threat posed to democracy comes from neoliberalism's "economization" of previously noneconomic spheres and practices including the model of the subject and subjectivity itself. In a review of *Undoing*, Jodi Dean concisely summarizes this point: "Fully 'transmogrified' by its economization under neoliberal rationality, democracy has been unmoored, disemboweled, hollowed out from within, and utterly undone."<sup>14</sup> Brown singles out the concept of "human capital" as being at the root of this neoliberal hollowing out process.<sup>15</sup> As persons are figured as "human capital" and states are "construed on the model of the contemporary firm," Brown sees liberal democracy's "already anemic *homo politicus*" being vanquished by *homo oeconomicus* with "enormous consequences for democratic institutions, cultures and imaginaries."<sup>16</sup>

She notes four consequences in particular. First, she suggests that "we are human capital not just for ourselves, but also for the firm, state, or postnational constellation of which we are members."<sup>17</sup> This means that as citizens are figured as human capital—fully responsible for themselves and their investments of time and energy in "a competitive world of other human capitals"—the firm, the state, and other governmental bodies legitimately offload many of their former responsibilities and duties to protect the rights, health and welfare of the people.<sup>18</sup> They are justified in doing so because workers

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*Never Let a Serious Crisis Go to Waste: How Neoliberalism Survived the Financial Meltdown.* London ; New York: Verso, 2013.

<sup>13</sup> Brown, *Undoing the Demos*, 17.

<sup>14</sup> Dean, Jodi. "Wendy Brown, *Undoing the Demos: Neoliberalism's Stealth Revolution*," *Critical Inquiry* 42, no. 4 (Summer 2016): 979-982.

<sup>15</sup> Brown, *Undoing the Demos*, 33.

<sup>16</sup> *Ibid.*, 20, 35.

<sup>17</sup> *Ibid.*, 37.

<sup>18</sup> *Ibid.*



and citizens—figured as fungible “capital” to be invested in or disposed of based on calculations of risk and cost—no longer enjoy universal protections based on legal, moral, or political (i.e. non-economic) standing.<sup>19</sup> Moreover, states no longer derive their legitimacy primarily from the sovereignty conferred by the people through democratic modes of representation and participation; they do so through successful management of the various forms of capital at their disposal (human and non-human) in order to achieve economic growth.

Second, she argues that equality “ceases to be an a priori or fundament of neoliberalized democracy,” while inequality becomes normalized as the proper and normal relation between competing states and citizens. In other words, the logic of competitive markets normalizes the idea that there will always be big winners and losers in a polity.<sup>20</sup> Third, she contends that as everything becomes subsumed under capital, “labor disappears as a category” and with it its collective form “class,” which heretofore had served as the analytical basis undergirding political claims seeking collective redress for exploitation and as the inspiration for political mobilization based on class solidarity.<sup>21</sup> Without a concept of labor, she insists, resistance to capital through collective action and organization becomes increasingly unintelligible and futile.

Finally, she argues that in a world governed by neoliberal reason, “citizenship itself loses its *political* valence and venue,” as the active cultivation of citizens’ concerns for public goods, common purposes, and public education is devalued and eliminated in favor of a model of citizenship as market conduct that contributes to economic growth,

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<sup>19</sup> Ibid.

<sup>20</sup> Ibid., 38.

<sup>21</sup> Ibid.

global competitiveness and creditworthiness.<sup>22</sup> Moreover, the citizen reduced to *homo oeconomicus* (and *homo oeconomicus* now conceived as “human capital”) eliminates the idea of “a people” or “demos,” committed to self-rule and collective sovereignty as paramount expressions of freedom.<sup>23</sup> Indeed, Brown contends that the conception of freedom that animates democratic rule—“[f]reedom conceived minimally as self-rule and more robustly as participation in rule by the demos—has given way to freedom conceived as “comportment with a market instrumental rationality that radically constrains both choices and ambitions.”<sup>24</sup> In sum, Brown goes so far as to claim, “Neoliberalism is the rationality through which capitalism finally swallows humanity—not only with its machinery of compulsory commodification and profit-driven expansion, but by its form of valuation.”<sup>25</sup>

I share Brown’s concern for the plight of “the demos,” the fate of democratic norms of government and citizenship, as well as public institutions and radical forms of protest and participatory democracy whose assault under neoliberal governmentality she unflinchingly catalogues in her book. However, to riff on a remark by Annie McClanahan in an essay response to *Undoing*: if Brown wants to insistently ask “the Lenin question: What Is to Be Done?,” then she may have to think more critically about “The Marvin Gaye question”: “What’s Goin’ On?” in order to develop an effective response.<sup>26</sup> In other words, attempting a *prognosis* without a careful *diagnosis*, can lead one into a nest of self-inflicted difficulties, and may end up leaving the patient worse off than before. In my

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<sup>22</sup> Ibid., 39-40.

<sup>23</sup> Ibid.

<sup>24</sup> Ibid., 41.

<sup>25</sup> Ibid., 44.

<sup>26</sup> McClanahan, Annie. “Becoming Non-Economic: Human Capital Theory and Wendy Brown’s *Undoing the Demos*. *Theory & Event*.” Vol 20 (2), 2017. <https://muse.jhu.edu/article/655783>

view, there are some intertwined flaws in Brown's diagnosis of the neoliberal threat to democracy.

The first has to do with the questions that frame her study and the ways in which she chooses to portray neoliberalism. She asks, for instance, "What happens when the precepts and principles of democracy are remade by this order of reason and governance?" and "What is the connection between neoliberalism's hollowing out of contemporary liberal democracy and its imperiling of more radical democratic imaginaries?"<sup>27</sup> These, "What" questions act as foregone conclusions that assume neoliberalism to be a totalizing force against which democracy stands little chance, which leaves Brown little room to theorize chinks in its armor, points of resistance to its logic or implementation, or to imagine what a counter-politics or counter-program might look like. Strangely, Brown enlists Foucault in this effort by focusing solely on the knowledge/discourse side of governmentality, which she calls "political rationality." She focuses almost exclusively on his discussions of neoliberalism in the *Birth of Biopolitics* lectures, which, as I noted in the previous chapter, uncharacteristically (for Foucault) focus on the theoretical formulations of neoliberal intellectuals rather than considering their inter-involvement and mutually constitutive functioning with the practical techniques and tactics of power shaping postwar Europe and the United States. As Foucault himself says in the lectures of the previous year, "it seems to me that the dimension of *what is to be done* [my emphasis] can only appear within a field of real

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<sup>27</sup> Brown, *Undoing the Demos*, 10, 18.

forces, that is to say within a field of forces that cannot be created by a speaking subject alone.”<sup>28</sup>

Thus, if neoliberalism is indeed a multiplicity or heterogeneous assemblage of power/knowledge—Brown suggests that it has become “a scholarly commonplace” to recognize neoliberalism as a “loose and shifting signifier” with “temporal and geographic variety in its discursive formulations, policy entailments, and material practices”—and if Brown is interested in *how* this neoliberal assemblage undoes the institutions of existing democracies and the citizenry’s very ability to imagine democratic futures, then it seems counterintuitive to confess to this reality only to set it aside.<sup>29</sup> But this is precisely what she does. She focuses on a highly abstracted and discursive notion of neoliberalism, portraying it as an economizing “rationality” that has already been largely successful in neutralizing our ability to think and act politically. To my mind, it makes far more sense to take heed of the wisdom evinced by the rich multi-disciplinary literature on neoliberalism and, in the words of anthropologist Clifford Geertz, move the theory “rather closer to the ground”<sup>30</sup> by grappling with the messy geographically and temporally specific “field of real forces,”—a hybrid network conjugating racialized and gendered bodies, technical machines involving human and non-human components, the built environment, culturally specific ways of knowing, representing and thinking, and so on—which actualizes neoliberalism as a process of becoming which significantly affects contemporary prospects for democracy.

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<sup>28</sup> Foucault, Michel. *Security, Territory, Population: Lectures at the Collège de France 1977-78*. Lectures at the Collège de France. Basingstoke: Palgrave Macmillan, 2009, 3.

<sup>29</sup> Brown, *Undoing the Demos*, 20.

<sup>30</sup> Geertz, Clifford. *The Interpretation of Cultures*. New York: Basic Books, 1973, 24.

I attempted to follow this method in the previous chapter by focusing in on the specific politico-economic work debt performs as a component of neoliberal governmentality in the United States. While remaining within the realm of political theory, I followed the interplay of forces involved in a specific political technology in a limited spatio-temporal region—credit evaluation and creditor-debtor relation in the United States over the last few decades—in an attempt to better understand one of the strategically important ways in which neoliberalism works. I did so with the intention of showing how this phenomenon has been able to take hold of and reshape American political and economic life to the degree that it has. As a political theorist enmeshed in the field of forces comprising neoliberal governmentality, I follow Foucault’s proviso that the best my work can do is offer “tactical pointers: key points, lines of force, constrictions and blockages that might prove useful to those engaged in specific struggles.”<sup>31</sup> Taking this approach means that one cannot deal with all the dynamics and effects of neoliberalism in one article, book, or book series; it does not admit to the reductionist abstractions of grand theory or lend itself easily to an all-encompassing answer to the question “What is to be done?”

However, Brown does not even attempt to give provisional answers to this question. After cataloguing neoliberalism’s cancerous effect on democracy, she appears to throw up her hands in defeat. Her primary focus on the “grammar and terms of [neoliberal] rationality and on the mechanisms of its dissemination and interpellative power,” terms and mechanisms which, she well knows, are designed to leave one with the

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<sup>31</sup> Foucault, Michel. *Security, Territory, Population*, 3.

perception that “There is No Alternative,”<sup>32</sup> end up leaving Brown and her reader—surprise?—with no viable alternative.<sup>33</sup> As she says, her critique of “neoliberalization does not resolve into a call to rehabilitate liberal democracy, nor, on the other hand, does it specify what kind of democracy might be crafted from neoliberal regimes to resist them.”<sup>34</sup>

While she admits that neoliberal rationality is “buttressed by concrete policies,” it does not appear to be worth examining these policies or even reversing them because, in her estimation, the “deleterious effects of neoliberal reason on democracy” would continue apace unless it were totally replaced with another “order of political and social reason.”<sup>35</sup> Focusing on changing local practices or policies in order to gradually change hearts and minds appears to be out of the question. Brown admits that she and much of the “Euro-Atlantic Left” appear to be tied up in “paralyzing conundrums” leaving them unable to “articulate a road out or a viable global alternative.”<sup>36</sup>

A second major flaw in *Undoing*, and more to the point of this chapter, is how Brown theorizes democracy itself. She prefaces her remarks by saying that “democracy” is one of “the most contested and promiscuous terms in our modern political vocabulary.”<sup>37</sup> In the popular imaginary, what it is that democracy stands for runs the gamut from free elections to free markets, from the right to protest to the rule of law, from “the voice of the assembled multitude to the protection of individuality.”<sup>38</sup> She

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<sup>32</sup> Margaret Thatcher’s famous phrase. See Berlinski, Claire. (8 November 2011). *There Is No Alternative: Why Margaret Thatcher Matters* (Second ed.). Basic Books.

<sup>33</sup> Brown, *Undoing*, 201, 221.

<sup>34</sup> Ibid.

<sup>35</sup> Ibid., 201-2.

<sup>36</sup> Ibid., 220.

<sup>37</sup> Brown, *Undoing*, 19.

<sup>38</sup> Ibid.

points to the ambiguous Greek etymology of the term “democracy” which translates as “people rule” or “rule by the people,” which has inspired numerous debates as to who “the people” are and what exactly is meant by “rule.”<sup>39</sup> With this in mind, it is unfortunate that Brown chooses to punt on the question of how to robustly specify the version of democracy she would like to support and defend against the onslaught by the economizing forces of neoliberalism. Instead she refers to a stripped down conception of “bare” democracy: the “political form in which the whole of the people rule the polity and hence themselves.”<sup>40</sup> She intimates that she does this by design because she wishes to “release democracy from containment by any particular form while insisting on its value in connoting political self-rule by the people, whoever the people are.”<sup>41</sup> For Brown then, the “bare promise of bare democracy,” is that it “affords without guaranteeing the possibility that power will be wielded on behalf of the many, rather than the few, that all might be regarded as ends, rather than means, and that all may have a political voice.”<sup>42</sup>

Brown clearly seeks to rally support against neoliberalism from all the warring factions in democratic theory by showing that even the barest conception of democracy is under assault. This is a canny rhetorical technique; however Brown is very quick to drop this more ecumenical definition of bare democracy in favor of “contemporary liberal democracy.”<sup>43</sup> Despite all the flavors of democracy to choose from, Brown seems most concerned with defending its liberal instantiation despite its “formalism, privatism,

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<sup>39</sup> Ibid.

<sup>40</sup> Ibid., 178, 203.

<sup>41</sup> Ibid, 20.

<sup>42</sup> Ibid., 202-3.

<sup>43</sup> Ibid., 18, 205.

individualism, and relative complacency about capitalism.”<sup>44</sup> Indeed, Brown is at pains to admit liberal democracy’s flaws:

Liberal democracy’s imbrication with privileges, inequalities, and exclusions is masked through explicit formulations such as equality before the law and freedom based in rights and through a trove of tacit precepts such as moral autonomy and abstract personhood. Together, these precepts secure unequal and unfree social, cultural, and economic life as they disavow their intersection with entrenched divisions of labor and class stratifications and their mobilization of norms of personhood heavily inflected by race, gender, and culture.<sup>45</sup>

Liberalism’s sins are many indeed, but Brown thinks it may be absolved because, unlike neoliberalism, it still manages to hold out the democratic ideals of freedom, equality, and popular sovereignty as yet-to-be realized principles. As Brown argues, despite liberal democracy’s disavowals of the actual practices maintaining class stratifications, gender inequality and color lines, these disavowals produce “dissonances”—for instance “between paeans to freedom and equality, on the one hand, and lived realities of exploitation and poverty, on the other—that have inspired political imaginaries that exceed “liberal democratic precepts” and seek to “realize a democracy precluded by its liberal form.”<sup>46</sup> She draws from the early Marx here suggesting that bourgeois calls for *political* emancipation based on abstract rights of liberty and equality contained the germ that would or could eventually catalyze the overcoming of entrenched *economic* and *social* inequalities and forms of domination.<sup>47</sup> The divide in liberal democracy between its lofty principles and the cruel exigencies of its actual existence, provides, per Brown,

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<sup>44</sup> Ibid., 18.

<sup>45</sup> Ibid., 205.

<sup>46</sup> Ibid., 205-6.

<sup>47</sup> Ibid., 206



“the scene of paradox . . . that social movements of every kind have exploited for more than three centuries.”<sup>48</sup>

While it is true that liberal democracy’s rhetoric of universal equality and freedom for all has been adopted as a weapon by abolitionist movements, revolting slaves, the women’s suffrage and liberation movements, the black freedom movement, gay rights activists and many others, it is also true that these principles have been able to coexist with the ongoing genocide of indigenous peoples, racial slavery, indebted servitude, gender inequality, sexual violence, Jim Crow segregation, and mass incarceration, to name only a few of the most glaring instances. Liberal democracy may be *too* capacious. Thus it is strange for Brown to claim that while democracy “does not require absolute social and economic equality . . . it cannot withstand large and fixed extremes of wealth and poverty, because these undermine the work of legislating in common.”<sup>49</sup> Liberal democracy has withstood fixed extremes of wealth and poverty, especially poverty concentrated among those classified as not belonging to the white race, since long before the last three or four decades of neoliberalism. Indeed, despite the gains in public higher education and subsidized housing for some in what Brown calls the “golden age” of the North American twentieth century, these gains were segregated by the color line.<sup>50</sup>

Hence, despite my agreement that neoliberal governmentality is a significant threat to democratic imaginaries and the remaining strains of democratic rule in the United States, I contest Brown’s insistence that the liberal democratic imaginary is the only game in town and must be saved at all costs. She asks, “if . . . neoliberal reason is

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<sup>48</sup> Ibid., 206.

<sup>49</sup> Ibid., 178.

<sup>50</sup> Ibid., 180.

evacuating these ideals and desires from actually existing liberal democracies, from what platform would more ambitious democratic projects be launched? How would the desire for more or better democracy be kindled from the ash heap of its bourgeois form?”<sup>51</sup> My response to these queries is that seeking to preserve democracy by fighting neoliberalism with liberalism is apt to fail. Brown’s account fails to fully grasp that in America, the question of who counts as the “people” in the democratic formula of “rule by the people” matters a great deal, even in the economized and depoliticized neoliberal era. Thus, it is my contention that, in failing to address the geo-temporal specificity and embodied governmentality of American neoliberalism and its accompanying strain of democracy, Brown’s political vision misses the centrality of debt to the antidemocratic neoliberal project, as well as the continuity between neoliberal and liberal democracies as racial projects operating on, albeit in different forms, the supremacy of the white citizen.

While she is careful to acknowledge the cultural, gender, and racial oppression inherent in liberal democracy, she appears to make these issue secondary to the more pressing issues of class inequality and the economization of the political imaginary. This deflates important realities in the United States. As I’ve tried to show in the previous two chapters, racism, the stigmatization of blackness, and white supremacy have all been central to the political economy of capitalism in America, and as I will argue here, they must remain central to any analysis of the fate of democracy under the influence of neoliberalism and its modes of indebted control. This is not just important to understand for diagnosing the ills wrought by neoliberal governmentality; it is essential for theorizing and organizing an alternative democratic project. This is evidenced in Brown’s

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<sup>51</sup> Ibid., 18.

account: by the end of *Undoing*, she seems demoralized, desperately clinging to an admittedly fraught conception of liberal democracy. There is no alternative democratic imaginary in sight, nor any concrete or even inchoate ideas for actions or modes of resistance to neoliberalism's anti-democratic infrastructure of control and hegemonic model of subject formation.

In order to avoid this trap and effectively diagnose the current plight of neoliberal American democracy, I seek to account for the twinned forces of debt and race, and, in so doing, offer a political vision of democracy surpassing the boundaries of the liberal imaginary. To do so, I am informed by two strains of radical democratic theory. First, I draw on William Connolly's theorization of democracy in *The Ethos of Pluralization*, in which he engages the work of C. B. Macpherson and the debate between representational and participatory visions of democracy.<sup>52</sup> Like Macpherson, Connolly is critical of liberal pluralist democratic theories, such as those of Joseph Schumpeter and Robert Dahl, that attempt to submerge and downplay the role of democratic participation as inefficient and potentially dangerous in favor of "settled modes of democratic representation," which depend on the predictable apathy of the masses and which produce and legitimate he calls an "equilibrium in inequality."<sup>53</sup> As Connolly argues, under this "equilibrium model," democracy "becomes a vehicle for rationalizing and legitimating the limited capacity of the state to represent citizens within the existing class structure."<sup>54</sup> Neoliberals profess a more extreme version of this view, advocating a strong state as the primary agent of the market, while keeping the power of the democratic majority relatively impotent, lest it

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<sup>52</sup> Connolly, William E. *The Ethos of Pluralization*. 4. print. Borderlines 1. Minneapolis, Minn.: Univ. of Minnesota Press, 2004, 77.

<sup>53</sup> *Ibid.*, 78-9.

<sup>54</sup> *Ibid.*, 79.

attempt to advocate policies that run counter to market outcomes.<sup>55</sup> As Hayek remarked in an address to the Mont Pèlerin Society in 1966, “Liberalism and democracy, although compatible, are not the same . . . [A state] demanding *unlimited* power of the majority, has essentially become anti-liberal.”<sup>56</sup> More recently, mainstream commentators such as Fareed Zakaria continue to popularize the view that an “excess of democracy” is the main threat to individual liberty and freedom.<sup>57</sup> This line suggests that, in the neoliberal view, it is the demos and not capital that needs restraining.

Connolly joins Macpherson in contesting the equilibrium model of democracy (in both its liberal and neoliberal forms) with a vision of a democratic society that valorizes participation as a means of reducing social and economic inequality. However, Connolly goes beyond Macpherson by insisting that equality must be pursued in a way that “does not undermine either existing cultural pluralism or future possibilities of democratic pluralization.”<sup>58</sup> Put differently, this means that a “pluralizing democracy,” advocated by Connolly, “is the site of tension or ambi-valence between politics as general action to sustain the economic and cultural conditions of existing plurality and the dissonant politics of pluralization.”<sup>59</sup> I take Connolly to mean that we must theorize democracy not just in terms of an institutionalized forms of rule and governance by the people in its existing configuration, but as a politics that is capacious enough to affirm and facilitate processes of pluralization within the “demos,” and to nourish social movements that seek to disrupt inherited power relations and cultural norms. As Connolly puts it, in a

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<sup>55</sup> Mirowski, Philip. *Never Let a Serious Crisis Go to Waste: How Neoliberalism Survived the Financial Meltdown*. London ; New York: Verso, 2013, 56-7.

<sup>56</sup> Quoted in Mirowski, *Never Let a Serious Crisis Go to Waste*, 57.

<sup>57</sup> Quoted in Harvey, David. *A Brief History of Neoliberalism*. Reprinted. Oxford: Oxford Univ. Press, 2011, 184.

<sup>58</sup> Connolly, *The Ethos of Pluralization*, 80.

<sup>59</sup> *Ibid.*, 97.

pluralizing and egalitarian democracy, the “politics of governance” must share the honorable position with “social movements that disrupt the sense of completeness, closure, and moral innocence in dominant formations.”<sup>60</sup>

This “ambi-valent” conception of democracy also contains what Connolly calls a “constitutive ambiguity” in the way it conceives of the democratic citizen.<sup>61</sup> While representative democracy constitutes the citizen as a member whose role/right is to vote periodically in the election of his or her representatives, for Connolly, citizenship connotes much more than periodically giving one’s consent to those who rule in one’s stead. Democratic citizens are also active “political agents who can question, interrogate, doubt, dissent, protest, organize, resist, disturb, prod, and disrupt fixed priorities, as well as mandate and obey general laws.”<sup>62</sup> The contending dimensions of democratic politics—at once a mode of political rule and a mode of its disturbance and transformation—are embodied within the same political subject: the “citizen/dissident” who may act as a “participant in representational politics of the state and as activist in social movements that interrogate previous patterns of settlement in the state and other social institutions.”<sup>63</sup> Maintaining this vital tension between contending valences of citizenship, for Connolly, “constitutes the perfection of democratic politics.”<sup>64</sup>

Connolly’s theorization of democracy as requiring both government through representative institutions and active citizens participating in pluralizing social movements that challenge and unsettle previous power relations, identities and norms

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<sup>60</sup> Ibid., 98.

<sup>61</sup> Ibid., 97.

<sup>62</sup> Ibid., 100.

<sup>63</sup> Ibid., 101.

<sup>64</sup> Ibid.

provides us with a framework from which to evaluate the effects of the neoliberal debt regime on contemporary American democracy. I will take up this work in the next two sections as we examine how debt affects democracy and citizenship at different scales and speeds. However, Connolly, despite his focus on the intersections between identity, political economy, democratic citizenship and pluralization, does not give us all the conceptual tools we need to grasp debt as a force working within the neoliberal variant of *racial* capitalism in the United States.

While Connolly does address the politics of racial resentment and white supremacy in *Ethos of Pluralization* and in his later work,<sup>65</sup> he does not go so far as to describe the United States a “*Herrenvolk* democracy”—a political order that is “democratic for the master race but tyrannical for subordinate groups”<sup>66</sup>—whose ideals of equality, freedom, and citizenship have been segregated and reserved in large part to benefit those considered to be white. I believe that an abolitionist perspective that takes race, racism, and white supremacy as the central objects of its political analysis and critique is indispensable for identifying the intersections of debt and race and democratic theory. For this reason, I bring Connolly into conversation with democratic theorists working in the black radical tradition. In particular, I draw on the late Joel Olson’s theorization of America as a “white democracy” and his call to undo white privilege by taking up the political project that W. E. B. Du Bois called the “abolition-democracy.” The black radical tradition, encompassing work by Du Bois, C. L. R. James, James Baldwin, Angela Davis, Cedric Robinson, and many others, attunes us from the outset to

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<sup>65</sup> See Connolly, *The Ethos of Pluralization*, Chapter 3: “The Desire to Punish,” and Chapter 6: “Tocqueville, Religiosity, and Pluralization.”

<sup>66</sup> Olson, Joel. *The Abolition of White Democracy*. Minneapolis: University of Minnesota Press, 2004, 42.

the shortcomings of the colorblind frame of liberal democratic theory by insisting on the primacy of race as an organizing principle of the democratic polity and capitalist political economy. As James Baldwin argues, “Color is not a human or a personal reality; it is a political reality.”<sup>67</sup> In the words of Cedric Robinson, whose concept of “racial capitalism” we encountered in chapter two, the black radical tradition emerged from “a revolutionary consciousness that proceeded from the whole historical experience of Black people and not merely from the social formations of capitalist slavery or the relations of production of colonialism.”<sup>68</sup> In the words of Fred Moten: “the history of blackness is testament to the fact that objects can and do resist.”<sup>69</sup> This is resistance from within what Christina Sharpe names “the wake”: a conception (and effort to awaken consciousness) of black being as occupying and being occupied by “the continuous and changing present of slavery’s as yet unresolved unfolding.”<sup>70</sup> To the experience of being “in the wake” of racial capitalism and colonialism, we must add the historical experience of people of color living in the position of “anticitizens” in the white democracies of Europe and the United States.

Starting from the presumption that race is a political category, Olson argues that while racial oppression makes full democracy impossible, “it has also made American democracy possible.”<sup>71</sup> Olson and black radical scholars challenge the notion that democracy is an unsullied ideal and unassailable solution to the problems of social inequality and racial oppression. Instead, they consider democracy itself to be a living

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<sup>67</sup> Baldwin, James. “The Fire Next Time,” *Collected Essays*. New York: Library of America, 1998. 345-6.

<sup>68</sup> Robinson, Cedric J. *Black Marxism: The Making of the Black Radical Tradition*. Chapel Hill, N.C.: University of North Carolina Press, 2000, 169.

<sup>69</sup> Quoted in Sharpe, Christina Elizabeth, *In the Wake: On Blackness and Being*. Durham: Duke University Press, 2016, 76.

<sup>70</sup> *Ibid.*, 13-4.

<sup>71</sup> Olson, *The Abolition of White Democracy*, xii, xv.

political problem, the “rough-and-tumble product” of ongoing power struggles, the results of which have historically premised equality among whites upon the degraded and unequal status of non-whites, freedom upon evolving forms of racialized forced labor and enslavement, and the protections of citizenship upon the political disenfranchisement and abjection of racialized anticitizens rendered illegal, criminal, or indebted.<sup>72</sup> This is American democracy as theorized by thinkers like Du Bois, Baldwin, and Sharpe, from the position as “no-citizen . . . [as] Black peoples in the wake with no state or nation to protect [them], with no citizenship bound to be respected . . . Black life lived in, as, under, despite Black death.”<sup>73</sup>

With this in mind, Olson argues that democratic theory must exceed “the limits set by the white imagination,” which presumes that “the system of rights and representations established in the *Herrenvolk* and post-civil rights eras are the highest political form attainable.”<sup>74</sup> We see an example of this in Brown’s colorblind critique of neoliberalism and resigned defense of liberal democracy. Olson would point out that Brown is not alone in this view; contemporary democratic theory is “pervaded by a chastened conception of democracy that appears resigned to liberalism.”<sup>75</sup> By contrast, the black radical tradition offers a critical perspective and transformative vision of democracy that exceeds the white imagination and, according to Michael Dawson,

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<sup>72</sup> Ibid., xvi-xvii. For examples of the transformations in forced labor practices see Chapter 2 of this dissertation. For citizenship premised on disenfranchisement, see Dilts, Andrew. *Punishment and Inclusion: Race, Membership, and the Limits of American Liberalism*. First edition. Just Ideas. New York: Fordham University Press, 2014.

<sup>73</sup> Sharpe, *In the Wake*, 22.

<sup>74</sup> Olson, *The Abolition of White Democracy*, 128.

<sup>75</sup> Ibid., 129.



“cannot be confined within the boundaries of liberalism.”<sup>76</sup> Whence does this alternative political vision emerge? James Baldwin remarks:

The American Negro has the great advantage of having never believed that collection of myths to which white Americans cling: that their ancestors were all freedom-loving heroes, that they were born in the greatest country the world has ever seen, . . . that Americans have always dealt honorably with Mexicans and Indians and all other neighbors and inferiors . . . Negroes know far more about white Americans than that.<sup>77</sup>

Indeed, Baldwin relates that despite what they know and despite the abuse they have endured, African Americans tend to “dismiss white people as the slightly mad victims of their own –brainwashing.”<sup>78</sup>

For his part, Robinson identifies the black radical tradition as emerging from uncompromising revolutionary figures such as Toussaint L’Ouverture (Haiti), Samuel Sharpe (Jamaica), and Nat Turner (United States) who drew from their own African heritage that had been sustained covertly in the New World as the religions of the oppressed—“*obeah, voodoo, myalism, pocomania*”—to inspire forms of escape, *maronnage*, and eventually violent insurrection<sup>79</sup> as means of total rejection of the conditions of slavery, colonization, and efforts by their masters to normalize black identification with slave status, docility, subordination, and dependency.<sup>80</sup> Robinson argues that radical forms of black collective action drawing from non-Western cultural roots and solidarities pursued freedom in the only way possible under conditions of slavery and white supremacy: “They lived on their terms, they died on their terms, they

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<sup>76</sup> Ibid., 131.

<sup>77</sup> Baldwin, “The Fire Next Time,” 344.

<sup>78</sup> Ibid.

<sup>79</sup> In this regard, Robinson is keen to assert that the history of black radicalism is marked by the peculiar absence of violence; indeed far less violence than contemporary white observers understood their situation to require. Robinson, *Black Marxism*, 168.

<sup>80</sup> Ibid., 169.

obtained their freedom on their terms.”<sup>81</sup> Drawing on the wisdom gained by those who engaged in collective struggle (quite often leading to their own demise) against the self-deluded beneficiaries of white supremacy, democracy may therefore be reinterpreted as “something that white citizens have contributed to yet compromised and that anticitizens have advanced.”<sup>82</sup>

Drawing on the critical lens afforded by *this* democratic tradition, Olson makes the claim that America has been and continues to be a “white democracy,” that is “a polity ruled in the interests of a white citizenry and characterized by simultaneous relations of equality and privilege: equality among whites, who are privileged in relation to those who are not white.”<sup>83</sup> Whiteness here is not conceived as a genetic inheritance based on skin color or European ancestry, but a form of self-arrogated political privilege and standing premised on the denial of black humanity, and used to justify black subjugation.<sup>84</sup> Referencing the work of Lerone Bennett and Alain Locke, Olson specifies that “a white person is a person called white by other whites. The antithesis of ‘white’ is ‘not-white,’ a category of subordination that has been occupied by various peoples and social identities throughout American history.”<sup>85</sup> Crucially then, citizenship and whiteness are intertwined in American democracy. Keeping this in mind, the political challenge and imperative becomes the subversion of white privilege and “no less than the *abolition* of white citizenship itself.”<sup>86</sup>

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<sup>81</sup> Ibid., 170.

<sup>82</sup> Olson, *The Abolition of White Democracy*, 131.

<sup>83</sup> Ibid., xv.

<sup>84</sup> Ibid., xviii. See Baldwin, James. “On Being ‘White’ . . . And Other Lies,” *Essence*, April 1984, 92.

<sup>85</sup> Olson, *The Abolition of White Democracy*, 17.

<sup>86</sup> Ibid., xxii. Olson insists on the necessity of a politics of abolition rather than one that stops at affirming difference. He takes William Connolly to task on this point. While Connolly offers an alternative vision of a “pluralizing” egalitarian democracy, Olson would contend that he, and other theorists of “difference,” tend to present race as “one more form of ‘difference’ among others,” thus “isolating it from its historical

What exactly would this entail? Du Bois lays out his vision of the “abolition-democracy” by contrasting it to what we would understand today as the “American Dream,” which he calls the “American Assumption”: the assumption “that wealth is mainly the result of its owner’s effort and that any average worker can by thrift become a capitalist.”<sup>87</sup> According to Lawrie Balfour, “the American Assumption distanced successive generations from the wrong of slavery and denied that those who profited from that wrong bore any ongoing responsibility for it.”<sup>88</sup> Hence, the American Assumption serves as the foundational myth of white democracy: it safeguards whites’ collective delusion of innocence by disavowing the political power of race. This myth presupposes a level social and economic playing field, a belief that is made possible by whites’ stubborn disregard for “the exceptional position of a freed slave,” a position, as we saw in chapter two, in which freedom for black Americans was synonymous with indebted servitude, criminalization, disenfranchisement and gratuitous white violence.<sup>89</sup>

In the 19<sup>th</sup> century, abolitionists questioned the universality of the American Assumption because they “saw the danger of slavery to both capital and labor,” believed that “freedom in order to be free required a minimum of capital in addition to political rights,” and therefore advocated training “Negroes in intelligence, experience and labor,

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context,” and misconstruing “racial domination as a problem of *exclusion* (for which the solution is inclusion) rather than a problem of *privilege* (for which the solution is abolition)” (xxiii-iv). Connolly’s pluralistic approach rightly valorizes the inclusion of the previously excluded in the *demos*, but it does not explicitly promote the abolition of the privileges of whiteness, without which, I wager, the prospects for the radical democratic change Connolly advocates remain severely limited. In drawing Connolly and Olson together, I hold that both perspectives have something valuable to offer in terms of diagnosing neoliberal forms of domination and promoting radically anti-racist and abolitionist democratic politics, despite the evident tensions between the two theoretical frameworks.

<sup>87</sup> Du Bois, W. E. B. *Black Reconstruction: An Essay Toward a History of the Part Which Black Folk Played In the Attempt to Reconstruct Democracy In America, 1860-1880*. New York: Russell & Russell, 1962, 183.

<sup>88</sup> Balfour, Katharine Lawrence, *Democracy's Reconstruction: Thinking Politically with W.E.B. Du Bois*. New York: Oxford University Press, 2011, 30.

<sup>89</sup> Ibid and Du Bois, *Black Reconstruction*, 601-2.

the ownership of land and capital, and the exercise of civil rights and the use of political power.”<sup>90</sup> As Du Bois, Olson, Sharpe, and others argue, since Emancipation Black people have been continuously confronted with innumerable obstacles (and chief among those we will consider being the force of indebtedness) preventing them from “escaping the limbo between slavery and citizenship.”<sup>91</sup> As Balfour argues, Du Bois’ conception of democracy is one in which there is an “absence of gross inequality or the dependency that accompanies it. Democratic citizenship, for Du Bois, entails at least a basic education and the economic wherewithal to live a relatively comfortable life free from unearned debt.”<sup>92</sup> To be free from “unearned debt”—debt which we now understand to be the poisoned fruit of the “gift of freedom” explored in chapter two—is indeed an important precondition to realizing an abolition-democracy. Du Bois understood that economic self-sufficiency, education, and suffrage were all essential to a democracy in which all citizens—regardless of race—could participate in governing their own affairs, and that all these conditions were severely handicapped by the grinding conditions of black indebted servitude instituted through sharecropping and convict-leasing in the postbellum South.<sup>93</sup>

However, Olson alerts us to the other side of this equation: an abolition-democracy must also be free of unearned *credit*. American democracy is corrupted by the tyrannical power of the self-anointed “white” race; a power by which whites enjoy, as it were, an *a priori* line of credit—what I will call here *white credit*—e.g. whiteness as a presupposed badge of moral rectitude, economic creditworthiness and full political citizenship, which is predicated on maintaining the degraded, indebted, and inferior status

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<sup>90</sup> Du Bois, *Black Reconstruction*, 184-5.

<sup>91</sup> Balfour, *Democracy’s Reconstruction*, 28.

<sup>92</sup> *Ibid.*, 29.

<sup>93</sup> *Ibid.*

of blacks, Latinos, Native Americans, and other non-whites. This “present-past”<sup>94</sup> divide between white creditor/citizens and non-white debtor/anticitizens gives the lie to the American Assumption, and suggests important contemporary linkages and resonances between the moral, economic, and political valences of debt and the abolition of white democracy, which we will explore in what follows.

In the next two sections we examine in more depth the problem of white credit and citizenship in the colorblind neoliberal polity and the ways in which this (disavowed) racialized model of neoliberal citizenship couples with infrastructures of indebted control to induce both the slow and rapid death of democratic visions, institutions and practices for citizens on both sides of the color-line. In doing so, we must attend to the effects of racialized creditor-debtor relations on both of the essential aspects of democracy highlighted by Connolly: the side of citizen participation in formal democratic processes and institutions as well as the dissident movements of a fugitive demos comprised of those marked as citizens and non-citizens, who seek to pluralize and transform settled distributions of power and disenfranchising norms.

## **II. White Credit and the Slow Death of an Indebted Democracy**

To understand how race and debt are simultaneously maintaining the contemporary United States as a species of white democracy, while undermining the pluri-potentiality of democracy as a living political problem—the assemblage of norms,

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<sup>94</sup> The notion of “present-past” is taken from Du Bois. I suggest that this divide is “present-past” because it is predicated on the effects of slavery and upon the continuing disavowal of slavery, and because it continues to perform political work in the contemporary neoliberal era. Du Bois, W. E. B., David W. Blight, and Robert Gooding-Williams. *The Souls of Black Folk*. Boston: Bedford Books, 1997, 55. Christina Sharpe expresses a similar idea with her concept of “the wake”: “In the wake, the past that is not past reappears, always, to rupture the present. Sharpe, *In the Wake*, 9.

practices, and imaginaries that have and may continue to inspire movements toward the actualization of more radical and less compromised forms of democracy—it is helpful to begin by examining the intersection of citizenship, whiteness, and credit. We begin with Du Bois’ analysis of how race, and in particular whiteness and white citizenship, has been deployed as a “racial bribe”<sup>95</sup> since America’s inception to undermine class solidarity among whites and non-whites. Speaking about the Reconstruction-era South, Du Bois remarks:

It must be remembered that the white group of laborers, while they received a low wage, were compensated in part by a sort of *public and psychological wage* [my emphasis]. They were given public deference and titles of courtesy because they were white. . . . Their vote selected public officials, and while this had small effect upon the economic situation, it had great effect upon their personal treatment and the deference shown them. . . . On the other hand, in the same way, the Negro was subject to public insult; was afraid of mobs; was liable to the jibes of children and the unreasoning fear of white women; and was compelled almost continuously to submit to various badges of inferiority.”<sup>96</sup>

While Du Bois discusses the 19<sup>th</sup> and early 20<sup>th</sup> centuries, the invention of whiteness and its strategic deployment to divide the labor force in the Americas go at least as far back in history as the 17<sup>th</sup> century Virginia colony and the events of Bacon’s rebellion.<sup>97</sup>

Whiteness is spoken about by Du Bois and others as a type of “wage” or “bribe” that is paid to all people considered to be white regardless of social status, in order to diffuse class tensions by maintaining the feeling of superiority of the white racial group

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<sup>95</sup> Citing the work of historian Edmund Morgan, Michelle Alexander uses the term “racial bribe” to describe how, in the wake of an interracial rebellion of debt bondsman led by Nathaniel Bacon, the planter class deliberately and strategically “extended special privileges to poor whites in an effort to drive a wedge between them and black slaves.” See Alexander, Michelle, and Cornel West. *The New Jim Crow: Mass Incarceration in the Age of Colorblindness*. Revised edition. New York: New Press, 2012, and Morgan, Edmund. *American Slavery, American Freedom: The Ordeal of Colonial Virginia* (New York: Norton, 1975).

<sup>96</sup> Du Bois, *Black Reconstruction*, 700.

<sup>97</sup> See Alexander, *The New Jim Crow*, 24-5. For more on Bacon’s Rebellion, see Edmund Morgan’s *American Slavery, American Freedom*.

over all non-whites.<sup>98</sup> However, we might consider whiteness more appropriately, especially today, as a generous line of credit extended by way of an ex ante granting of deference, titles of courtesy, full and unquestioned citizenship status, property rights and leniency in all legal matters to those identified as white.<sup>99</sup> The phenomenon which David Roediger calls the “wages of whiteness”<sup>100</sup> and Joel Olson refers to as “white citizenship”—a public, psychological and material marker of privilege granting a white person “the enjoyment of all the rights accorded citizens including suffrage, the right to join political parties, access to desired jobs, the ability to compete in an unrestricted market, the capacity to sit on juries, the right to enjoy public accommodations, and the right to consider oneself the equal of any other”<sup>101</sup>—I would like to consider in terms of credit and debt.

If we reflect for a moment on how Du Bois describes the ways in which whiteness and blackness divide members of the same social strata who, according to Marx, should be class allies in solidarity against capitalist exploitation, we can see that race functions more as a form of credit or debt than it does as a wage. A wage is normally understood as an agreed-upon amount paid in compensation for work performed, usually for some period of labor-time, and usually agreed upon between employer and employee in a legal contract.<sup>102</sup> However, what Du Bois describes—a “public and psychological wage”

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<sup>98</sup> Du Bois, *Black Reconstruction*, 700.

<sup>99</sup> Ibid.

<sup>100</sup> Roediger, David R. *The Wages of Whiteness: Race and the Making of the American Working Class*. New York: Verso, 1991.

<sup>101</sup> Olson, *The Abolition of White Democracy*, xx.

<sup>102</sup> The *Oxford English Dictionary* defines “wage” as: “A payment to a person for service rendered. Formerly used widely, e.g. for the salary or fee paid to persons of official or professional status. Now (exc. in rhetorical language) restricted to mean: The amount paid periodically, esp. by the day or week or month, for the labour or service of an employee, worker, or servant.” “wage, n.” OED Online. June 2017. Oxford University Press. <http://www.oed.com/view/Entry/225018?rskey=Z223ja&result=1&isAdvanced=false> (accessed November 10, 2017).

granting deference, courtesy and political rights on the one hand, and denoting someone with inferior status and “no rights which the white man was bound to respect”<sup>103</sup> on the other hand—appears closer to a moral evaluation of creditworthiness than it does the payment of a wage. Recall Marx’s discussion of credit from the previous chapter in which he argued that credit appeared to unsettle the terms of classical political economy because it functioned based on an economic judgment of “the morality of man” and, indeed, his “entire existence,” rather than as a payment in exchange for the labor he performed.<sup>104</sup> Moreover, to be judged as one without credit, Marx says, was not just to be deemed poor, but to be viewed pejoratively as “without trust,” “a social pariah, a bad man.”<sup>105</sup> Thus, we can see how this Marxian view of credit (not to mention our analysis in the first chapter of Nietzsche and Weber’s discussion of how moral estimations of creditworthiness served as the basis for evaluating the fitness of a “spiritual aristocracy” of Protestant Christians) maps onto Du Bois’ discussion of the wages of whiteness and anti-wages of blackness, with whiteness acting as a badge of good credit, while blackness marks its bearer as one as without credit, without trust, without standing (in the eyes of the white creditors) – a mark of indebtedness, pariah-status and social death.

White credit here is equated with enjoying full citizenship rights and equal status with all other whites, while it affords superior status over those without credit, i.e., non-whites whose lack of whiteness leaves them both racially inferior and irredeemably indebted. Indeed, white citizenship and white democracy are premised on the irredeemability of blackness; and this in spite of the vast evidence of the unimpeachable

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<sup>103</sup> *Dred Scott v. Sandford* [1857]. Accessed <https://cdn.loc.gov/service/ll/llst/022/022.pdf>

<sup>104</sup> Marx, Karl. “Comments on James Mill,” <https://www.marxists.org/archive/marx/works/1844/james-mill/>, 6-7.

<sup>105</sup> Ibid.



and creditworthy economic, moral, and political conduct of actual black people. On this point, Du Bois quotes South Carolinian W. P. Calhoun: “Character, wealth, learning, good behavior, and all that makes up or constitutes good citizenship in the black man is positively to no avail whatever. Merit cannot win in this case.”<sup>106</sup> Thus, white supremacy requires that blacks remain existentially in the position of the debtor, because white credit does not guarantee that all whites will be successful, but it does ensure “that no white citizen will ever be thrown down to the absolute bottom of the social hierarchy.”<sup>107</sup> The absolute bottom is reserved for blacks, Latinos, Native peoples, and other people of color.

In an important dynamic which Olson calls the “cross-class alliance,” whiteness acts as a “consolation prize,” a redemptive line of credit, in exchange for which, “working-class whites acquiesce to the domination of the political and economic system by powerful elites.”<sup>108</sup> He argues that maintaining this special status, rather than challenging class hierarchies, has been the primary focus of white citizen’s political energies at least since Reconstruction, and that the enticements of white credit continue to stunt the white democratic imaginary, leading to passive and conservative conceptions of citizenship, freedom and equality that favor the status quo.<sup>109</sup> Du Bois argues that this cross-class alliance among whites has had ruinous effects for the prospects of democracy not just in the United States, but the world over.<sup>110</sup>

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<sup>106</sup> Du Bois, *Black Reconstruction*, 180.

<sup>107</sup> Olson, *The Abolition of White Democracy*, xxi.

<sup>108</sup> *Ibid.*, xxi, 16.

<sup>109</sup> *Ibid.*, xxi.

<sup>110</sup> “The resulting color caste founded and retained by capitalism was adopted, forwarded and approved by white labor, and resulted in subordination of colored labor to white profits the world over. Thus the majority of the world's laborers, by the insistence of white labor, became the basis of a system of industry which ruined democracy and showed its perfect fruit in World War and Depression.” Du Bois, *Black Reconstruction*, 30.

The question then becomes: how do white credit and white citizenship continue to function in the wake of events representing great progress for racial equality in the U.S. such as the civil rights movement and the presidency of Barack Obama? In 2013 the Black Lives Matter movement (BLM) incited public outcry on social media and organized demonstrations in response to the vigilante murder of a black teenager, Trayvon Martin, and the succession of highly publicized police murders of black men, women and children that followed in 2014 and 2015. 2016 saw the election of Donald Trump to the presidency after an unprecedented campaign notable for overtly racist and misogynistic remarks and the dog-whistle white supremacist slogan “Make America Great Again.” Before these events of the last five years, and especially during the 8-year term of President Obama, many thought America had finally moved beyond race into a truly post-racial era.<sup>111</sup> Indeed, it appeared to critical observers like Wendy Brown and others that unprecedented income inequality and the encroaching economization associated with neoliberalism were the true threats to contemporary democracy.

Recall that for Brown, it is the shift, stemming from the work of Chicago School economist Gary Becker, to viewing the state as an enterprise and citizens as “human capital” that is the clear and present danger for democracy. Once governments and institutions view themselves as businesses and citizens are viewed as fungible human capital (entrepreneurial investors in themselves and their own capacities), citizens are expected to fend for themselves and governments are able to justify offloading or

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<sup>111</sup> See for instance Schorr, Daniel. “A New, 'Post-Racial' Political Era in America.” *All Things Considered*. National Public Radio, January 28, 2008. <https://www.npr.org/templates/story/story.php?storyId=18489466>. See also Rich, Wilbur C. *Post-Racial Society Is Here: Recognition, Critics and the Nation-State*. Place of publication not identified: Routledge, 2014.

devolving their duties to protect citizens' rights, to provide for healthcare, education and welfare, and to maintain public spaces and infrastructures (duties, it should be noted, that were impressed on the state as a result of hard fought political struggles won by the working class). In this scenario, the values of egalitarianism, mutual aid, and militant political engagement in defining one's own troubles and possibilities—what Connolly calls a “democratic ethos”—give way to the new normal of competition, inequality, and precarity. Labor as a category disappears into capital, and class along with it.

While these developments are indeed troubling, it is important to note that state support for health, wealth, safety, education, and equal protection under the law, could never be assumed by black American citizens; neither before the neoliberal turn, nor after. The same could be said for Native American, Latino, and Asian American citizens as well as other non-whites. The golden era of post-WWII welfare liberalism hearkened back to by Brown and other critics of contemporary neoliberal politics was also the era of Jim Crow segregation in the South and redlining in the North. Furthermore, being treated as a form of more or less valuable but dehumanized “capital,” as I noted in the previous chapter, is something that has figured the African American experience since slavery. And being excluded from the white dominated labor movement and from class solidarities has long been par for the course for non-whites.

Consequently, the changes associated with neoliberal citizenship identified by Brown in many ways amount to a downgrading of *white* democracy. In other words, poor, working and middle-class white Americans are moving closer to the way in which black and other non-white citizens have been treated since the end of slavery, while the wealthiest tier of whites continue to enjoy full citizenship rights and protections. My

contention here is that what conspires to destabilize the privileges and powers of the white citizen and to do continued and compounded harm to the non-white citizen in the neoliberal era is their collective positioning as debtors, leading to their disciplining and political disempowerment via the techniques of surveillance and control we encountered in the previous chapter.

The great irony here is that a large segment of white citizens have conspired and consented to fundamentally denature and undermine their own citizenship rights, popular sovereignty, public goods and to take on unprecedented levels of personal and public debt—to the lucrative benefit of the corporate and financial elite—in order to safeguard their *white* credit and keep non-whites in a subordinate social status. This is evidenced by the continued effectiveness of the racial bribe in what has come to be known as the “Southern Strategy.” The Southern Strategy, beginning with Nixon’s call for “law and order” in response to student and civil rights protests in the late 1960s, and perfected by Ronald Reagan in the 1980s, was a campaign strategy in which conservative Republican candidates appealed to “oftentimes coded but sometimes overtly, racist messages directed at disaffected whites.”<sup>112</sup> As Joshua Inwood argues, “Far from seeing the Southern Strategy as new, we should instead see it as a contemporary manifestation of a ‘racial fix’ that restores historic class and race alliances between poor and working-class whites with economic elites who had become destabilized through the US Great Depression and the growth of the Keynesian state.”<sup>113</sup> In other words, the Southern Strategy restored the cross-class alliance identified by Du Bois and Olson as central to the “American racial

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<sup>112</sup> Inwood, Joshua. “Neoliberal racism: the ‘Southern Strategy’ and the expanding geographies of white supremacy.” *Social & Cultural Geography*, 2015 Vol. 16, No. 4, 407–423, <http://dx.doi.org/10.1080/14649365.2014.994670>, 408.

<sup>113</sup> *Ibid.*, 413.

order” in that it “ensured the social stability of American democracy by reconciling political equality with economic exploitation through a system of racial privilege and subordination.”<sup>114</sup>

What was different than before was that, as a result of the Black freedom struggle of the 1960s and the U.S.’s desire to legitimate its claim to global leadership in the Cold War era, the Federal government had become a guarantor of minority rights, and at least in its official discourse, made a “normative commitment to racial equality.”<sup>115</sup> The Southern Strategy restored the white cross-class alliance in favor a neoliberal governmentality that would dismantle the welfare state and public institutions now contributing to black social equality in favor of “color-blind,” market-based and privatized governmental solutions that rewarded individual merit and entrepreneurial initiative.<sup>116</sup> As Lee Atwater, one of the architects of Reagan’s Southern Strategy candidly put it:

[Y]ou start out in 1954 by saying ‘nigger, nigger, nigger,’ [but] by 1968 you can’t say nigger, that hurts you, backfires, so you say stuff like ‘forced bussing,’ ‘states rights,’ and all that stuff. At this point, you’re getting so abstract now, you’re talking about cutting taxes, by this time you’re talking about all these economic things, and the by-product of them is, blacks get hurt worse than whites.<sup>117</sup>

Reagan and his political strategists had discovered a “color-blind discourse” centered on “states’ rights,” cutting taxes, individual responsibility, law and order, and market freedom, which was essentially a “new way to speak about race that none-the-less had the same effect as previous overt racist discourses.”<sup>118</sup>

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<sup>114</sup> Olson, *The Abolition of White Democracy*, 16.

<sup>115</sup> Nikhil Singh quoted in Inwood (2015), 413.

<sup>116</sup> Ibid., 413.

<sup>117</sup> Quoted in Inwood (2015), 415.

<sup>118</sup> Ibid., 415.

Neoliberals like Reagan were able to mobilize the white working class because they redefined race as something “pre-political”—a natural attribute of one’s identity with “no bearing on one’s political or economic life”— while playing up the American Assumption of the economy as a level playing ground where everyone should be able to get ahead based on entrepreneurial spirit and individual effort.<sup>119</sup> At the same time, they directed white racial resentment toward the now desegregated state, castigating it as the realm of overpaid and corrupt bureaucrats funneling tax dollars into failing welfare programs designed to give handouts to the lazy and undeserving racialized poor – for instance Reagan’s infamous “welfare queen” with “80 names, 30 addresses [and] 12 Social Security cards” enjoying a lavish lifestyle on the taxpayer’s dime.<sup>120</sup>

What this neoliberal rhetoric elides is that despite the fact that whiteness as formalized unequal standing may have disappeared after the passage of civil and voting rights legislation in 1964 and 1965, whiteness still provided unearned racial credit in the private sphere and in the economy.<sup>121</sup> In the transition from *Herrenvolk* to “color-blind” democracy, whiteness shifts from status to norm – from an individualized to an aggregative form of power in which standing is replaced by statistical advantages.<sup>122</sup> While the public and juridical power of the state now provided for formal equality between white and non-white citizens, the economic and social advantages accrued through generations of white credit were never abolished or redistributed through

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<sup>119</sup> Ibid., 72.

<sup>120</sup> Brendese, P. J. “Black Noise in White Time,” *Radical Future Pasts: Untimely Political Theory*. Romand Coles, Mark Reinhardt, and George Shulman eds. Lexington: University of Kentucky Press, 2014, 86. For an early example of this rhetoric See Reagan, Ronald. Address on Behalf of Barry Goldwater: “A Time for Choosing.” October 27, 1964. <http://www.presidency.ucsb.edu/ws/index.php?pid=76121>. Accessed February 2, 2018.

<sup>121</sup> Olson, *The Abolition of White Democracy*, 71.

<sup>122</sup> Ibid., 76.

reparations or some other mechanism.<sup>123</sup> Thus, non-whites *as a population* continue to find themselves competing in a highly asymmetrical and disadvantaged position vis-à-vis whites:

Poverty, violence, inferior schooling, poor health, high incarceration and unemployment rates, lack of assets, and substandard housing continue to disproportionately affect those who are not-white, while whites continue to disproportionately escape them. But because they are probabilities, not guarantees, the aggregate advantages of normalized whiteness hardly seem like privileges.<sup>124</sup>

While whites still enjoy a massive wealth advantage and major statistical advantages over non-whites in education, life expectancy, and political representation, the loss of guaranteed standing has bred a sense of injustice and resentment that has fueled white citizens' self-destructive support for punitive neoliberal policy shifts and sowed the seeds of reactionary movements to "reestablish *Herrenvolk* forms of white privilege," sprouting up most recently as support for Donald Trump and his nationalistic promise to "Make America Great Again."<sup>125</sup>

I say "self-destructive" because the massive tax cuts, disciplining of unions, and cuts to public funding for education, social insurance and poverty reduction deployed by the neoliberal beneficiaries of the renewed cross-class alliance were made possible through the deregulation, expansion, and transformations of the debt economy explained in the previous chapter. As Maurizio Lazzarato succinctly puts it: "It is simple: if taxes

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<sup>123</sup> Ibid., 75.

<sup>124</sup> Ibid., 76.

<sup>125</sup> Ibid., 76. On the question of the recent movement of white supremacist nationalism from periphery to center, Connolly had these prescient words decades ago: "The drive to restore the American state to the nationhood it never quite achieved provides the most general, pervasive, and dangerous rallying call of fundamentalism in America today. . . . The drive to collective mastery both expresses and veils the personal disempowerment felt by many of those who are drawn to it. 'I must obey the boss. And things are tough with the wife and kids at home. But what *we* say goes, baby!'" Connolly, William E. *The Ethos of Pluralization*, 118.

are being reduced while services are maintained, there is a need for the state to get indebted. There is no other way. . . .With neoliberalism, and this is even more clear since the 2007-2008 crisis, the Keynesian theory has been totally reversed as the state now represents a fundamental device allowing wealth to be transferred to creditors.”<sup>126</sup>

Ballooning deficits at the federal and state levels were paralleled by the “democratization of credit” at the consumer level, whereby previously excluded poor and non-white constituencies were extended greater access to credit necessary to purchase homes, cars, and other goods that not only promised to improve their standard of living, but to encourage entrepreneurship and to bring about the post-racial dream of full social and economic citizenship.<sup>127</sup> This did not just play out in the American domestic context but at a global scale, for instance through loans by the World Bank and the International Monetary Fund to formerly colonized countries, which, in the words of former IMF chief Horst Köhler, were intended to “to make globalization work for all.”<sup>128</sup> Moreover, the extension of “microcredit” in the Global South was extolled by institutions like the Grameen Bank of Bangladesh as a “human right” and humanitarian form of investment that would empower small-scale entrepreneurs, often women, to pull themselves out of poverty.<sup>129</sup>

In all of these transformations wherein the extension of credit was supposed to aid in bringing democracy and economic prosperity to racialized and colonized peoples who had been excluded (both internally and externally) from the rights of citizenship, we

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<sup>126</sup> Charbonneau, Mathieu, and Magnus Paulsen Hansen. “Debt, Neoliberalism and Crisis: Interview with Maurizio Lazzarato on the Indebted Condition.” *Sociology* 48, no. 5 (October 2014): 1039–47. <https://doi.org/10.1177/0038038514539207>.

<sup>127</sup> David Graeber, *DEBT: The First 5000 Years*. Brooklyn: Melville House, 2011, 381.

<sup>128</sup> Quoted in Black, Stephanie., Jamaica Kincaid, Michael Manley, Stanley Fisher, and Jean-Bertrand Aristide. *Life and Debt*. Letterbox ed. New York, NY: New Yorker Video, 2003.

<sup>129</sup> Graeber, *Debt: The First 5,000 Years*, 380.



should recognize the imprimatur of the “gift of freedom.” As Mimi Thi Nguyen argues, what is “given” as the gift of freedom, here in the form of the extension of credit, is time: “time for the subject of freedom to resemble or ‘catch up to’ the modern observer, to accomplish what can be anticipated in a preordained future, whether technological progress, productive capacity, or rational government.”<sup>130</sup> With the histories of whiteness as a badge of creditworthiness and full citizenship and blackness as a marker of irredeemable indebtedness and anti-citizenship in mind, we can see how the neoliberal profession of faith in entrepreneurship and ownership coupled with the material extension of credit, appeared as a turn toward finally allowing African Americans and other non-white and formerly colonized groups to “catch up” to white modernity in terms of achieving the same economic and political standing as white citizens.

However, just as manumission did not really grant self-possession, but instead inaugurated a new form of domination and subjection, so too did the time given by credit run out too soon.<sup>131</sup> The promised freedom proved to be a new form of predation, leaving in its wake the shackles of debt binding one, as it were, in the hold of the slave ship named *Subprime*. If the gift of credit, and by extension freedom, gives time, it is also a demand of time, an enduring debt that “troubles the recipient far into the foreseeable future.”<sup>132</sup> As Nguyen remarks, “what is given is time to diminish—but never to close—

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<sup>130</sup> Nguyen, Mimi Thi. *The Gift of Freedom: War, Debt, and Other Refugee Passages*. Next Wave: New Directions in Women’s Studies. Durham: Duke University Press, 2012, 17.

<sup>131</sup> As Nguyen puts it, “For [Orlando] Patterson and [Saidiya] Hartman, manumission does not replace capacity with freedom, but translates a state of alienable life into a stage of anachronistic human. Under liberalism’s purview, the transmutation from possession to personhood (at least ‘full’ personhood) is impossible, because there is no gift without debt – which is to say, no gift without claim on the other’s existence. For the anachronistic human targeted for transmutation, freedom is not generated from his or her own interiority but is manufactured, in the sense that this freedom bears the provenance of another’s hand,” *The Gift of Freedom*, 18.

<sup>132</sup> Nguyen, *The Gift of Freedom*, 19.

the distance between the anachronism and the modern, and time to linger under the lengthening shadow of debt.”<sup>133</sup>

Operating via what I termed in the previous chapter a form of “blackboxed” racism, the inclusiveness of mortgage lending became a new tool of racialized dispossession harming both whites and non-whites, but on the disproportionate terms figured by the legacy of white credit. David Graeber points out that after a decade, microcredit projects in the Global South began to resemble the U.S. subprime mortgage crisis, complete with unscrupulous lenders, fraudulent appraisals, high interest rates, borrowers attempting to refuse payment, goons sent to seize assets, and an epidemic of suicides by poor farmers caught in debt traps that they could not possibly escape.<sup>134</sup> Fred Moten captures the continuity here with previous eras of racial capitalism:

What we want is always already unaffordable and, moreover, the financialization of everyday life was a plantation imposition. . . . [the subprime crisis] is also the disruption and resocialization of an already given crisis. . . . This disownership renewed an old experiment that moves at the intersection of squatting and ‘the imposition of severalty’ (the name Theodore Roosevelt gave to his plan to eradicate the Indian who was not vanishing quite fast enough by liberal conferral of the gift of private property). That imposition, updated and disseminated by George W. Bush in the name of the ‘ownership society’, was sanctioned by the hegemonic public–private partnership so that it could continue in its brutal, violent habit of enclosing our common capacity, insofar as we are one another’s means, to live beyond our means.<sup>135</sup>

Democratic citizenship bought on (subprime) credit proves to be “alarmingly provisional,” as it is contingent upon “good governance” and disappears as soon as the debt cannot be repaid.<sup>136</sup>

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<sup>133</sup> Ibid.

<sup>134</sup> Graeber, *Debt: the First 5,000 Years*, 380-1.

<sup>135</sup> Moten, Fred. “The Subprime and the Beautiful.” *African Identities* (2013), Vol. 11, No. 2, 237-245, 240-1.

<sup>136</sup> Nguyen, *The Gift of Freedom*, 20.

In their groundbreaking study of neoliberal poverty governance, Joe Soss, Sanford Schram, and Richard Fording take note of this shift toward what they call a “paternalist conception of citizenship.”<sup>137</sup> They argue that up until the neoliberal turn in the 1970s, the dominant vision of citizenship in the United States was in line with T.H. Marshall’s classic theory, where “civic duties such as voting and working attach to individuals *because they possess membership rights.*”<sup>138</sup> This ideal of social citizenship prevailed in the circumscribed domain of *Herrenvolk* democracy in which whites were willing protect membership rights for all because citizenship, in practice if not in name, was the exclusive domain of whites. With the abolition of *Herrenvolk* democracy in the 1960s due to pressure from the Black freedom movement, the incipient neoliberal democracy that followed turned Marshallian citizenship on its head by coupling its vision of the political subject as *homo oeconomicus* with a “paternalist conception of citizenship” wherein “the fulfillment of obligations”—such as “self-reliance as a worker and self-discipline as a community member”—become the preconditions for civic membership, rather than citizens’ “mutual engagement in a democratic mode of governance.”<sup>139</sup> In other words, citizenship no longer conferred a set of rights to all members of the polity, but became a measurement of individuals’ and populations’ conformity to the norms of a fully marketized society – precisely the norms conducive to consumer debt repayment in the private sphere, and the maintenance of credit ratings for institutions and governments in the public sphere.

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<sup>137</sup> Soss, Joe, Richard C. Fording, and Sanford Schram, eds. *Disciplining the Poor: Neoliberal Paternalism and the Persistent Power of Race*. Chicago Studies in American Politics. Chicago ; London: University of Chicago Press, 2011, 43.

<sup>138</sup> Ibid.

<sup>139</sup> Ibid.

What traditional liberals like John Stuart Mill described as a lack of civilization among enslaved and colonized peoples, depicted as children or “barbarians” incapable of exercising free choice, becomes, for neoliberal paternalists, mismanagement, irresponsibility and a lack of “civic virtue,” evidenced by indebtedness and insolvency.<sup>140</sup> Poor and perpetually indebted individuals, populations, municipalities, or even sovereign states are not viewed as the “deserving” victims of structural forces beyond their control, but as free subjects responsible for their bad choices and lack of self-control. These supposed flaws in character or culture justify their subjection to a range of illiberal and anti-democratic disciplinary measures including heightened surveillance, continuous auditing, limited autonomy, seizure of assets, incarceration, forced labor (through “workfare” or prison labor) and in the case of cities and states, emergency takeover or military invasion.<sup>141</sup>

As P. J. Brendese argues, part of the enduring legacy of racialized and colonial temporality is that “people of color are relegated to the status of being ‘out of time’ in multiple senses that include being perceived as anachronistic—or ‘outside’ of time—as well as subjected to the impositions upon their time that shorten and expropriate their lives to the point of literally having no time left.”<sup>142</sup> This projection of anachronism lends itself to white paternalism and what Brendese calls “temporizing universalism”: strategies of power through which persons, populations or nations deemed to be in need of external care or uplift are kept in a subordinated position of dependency while being promised democratic equality, citizenship rights, or self-determination to be granted at a future date

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<sup>140</sup> Ibid., 24-8.

<sup>141</sup> Ibid., 25.

<sup>142</sup> Brendese, P. J. “Black Noise in White Time,” *Radical Future Pasts: Untimely Political Theory*. Romand Coles, Mark Reinhardt, and George Shulman eds. Lexington: University of Kentucky Press, 2014, 88.

that is indefinitely postponed.<sup>143</sup> We are reminded here of the words of Isaac Brinkerhoff to the freedmen: “I believe that if you and your people will follow wise counsels, and try to do right and improve the advantages which you now have, you will become worthy and respected citizens of this great nation.”<sup>144</sup> In this light, I suggest that indebtedness not only serves to disempower and produce dependency in its own right, but comes to serve as a deracialized index of blackness/anachronism used to justify paternalist forms of neoliberal control that impose a segregated “wait time” on democracy for indebted constituencies while exploitation, dispossession, mass incarceration, “slow death” by attrition and fast death at the hands of police continue apace.<sup>145</sup>

That being said, it is important to remember that while neoliberal governmentality, indebted control, and paternalist citizenship are most destructive to people of color, white people and white democracy do not escape unscathed, either economically or politically. Far from it. The goal of “perpetual economic growth in pursuit of private affluence,” the infrastructure of debt-underwritten consumption and the paternalist market citizenship championed by neoliberals and supported at times by large segments of the white working and middle-classes have also left the majority of whites economically worse off and political disempowered.<sup>146</sup> By subordinating the state and citizenship to the “verdict of the marketplace”<sup>147</sup> as a means of perpetuating the cross-class alliance to sustain white credit, white Americans denatured their own democratic institutions and citizenship rights, leaving formerly middle-class whites exposed to forms

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<sup>143</sup> Ibid., 90.

<sup>144</sup> Isaac W. Brinkerhoff, and J. B. Waterbury. *Advice to Freedmen*. Freedmen’s School and Textbooks, v. 4. New York, N.Y: AMS Press, 1980, 4.

<sup>145</sup> Ibid.

<sup>146</sup> Connolly, *The Ethos of Pluralization*, 84.

<sup>147</sup> Soss et al. *Disciplining the Poor*, 28.

of precarity and market brutality already quite familiar to poor whites and people of color – the colonized and commodified denizens of liberal empire and racial capitalism.

The neoliberal program calls for maximum efficiency and productivity from workers coupled with deficit spending and the expansion of consumer credit to insulate corporations from having to cut into profits to raise wages. Many Americans must now rely on debt in order to afford higher education, to pay for medical bills, to afford daycare for their children, or even just to pay for rent and groceries. Many benefits that had been the social rights of citizenship are now contingent upon one's ability to repay the debt taken out to afford them. Moreover, as Connolly rightly notes, the goal of "perpetual economic growth in pursuit of private affluence" under the new normal of heightened inequality, indebtedness and insecurity is "deadly for the prospects of a pluralizing democracy," because promoting growth under "difficult conditions of realization" requires new techniques of discipline, regulation and surveillance to "control or neutralize those populations excluded from its benefits."<sup>148</sup> In the 21<sup>st</sup> century, the deployment of debt as a colonial technique of indirect control granting an illusory freedom while fostering a long-term power relation of political docility and economic dependency has come to encompass the majority of the American populace.

Neoliberal governmentality by indebted control cannot tolerate a democratic politics that goes beyond governance to include the risky and disruptive processes of pluralization deemed essential by Connolly. Debt is a means of isolating and shaming distinct classes of citizens so as to neutralize their potential for collective action and social movements, especially abolitionist movements like Black Lives Matter, Strike

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<sup>148</sup> Connolly, *The Ethos of Pluralization*, 84-5.

Debt, which target the disciplinary, carceral, and violent intimidation measures used to maintain political quiescence and to shore up the cross-class alliance. Neoliberal governmentality redefines citizenship in terms of capital investment/debt repayment so as to make the “dissident” side of the citizen/dissident theorized by Connolly—an active form of citizen dissidence that would interrogate and challenge the institutionalization of the norms and power relations that I attempt to lay out here—unthinkable. In this respect, one may understand debt’s threat to contemporary democracy both in terms of its “slow violence”—“a violence that occurs gradually and out of sight, a violence of delayed destruction that is dispersed across time and space, an attritional violence that is typically not viewed as violence at all”—and its attempt to neutralize the pluralizing potential of democratic futurity.<sup>149</sup>

Neoliberal governmentality, according to Lazzarato, in its equation of citizenship with the successful management of debt repayment, effectively seeks to protect the equilibrium in inequality of the status quo by neutralizing democratic time: “time as decision-making, choice, and possibility.”<sup>150</sup> Credit is an effective tool of anti-democratic control because it creates, through legal mechanisms such as credit scoring, punitive bankruptcy proceedings, and contractually binding austerity provisions, an infrastructure for anticipating and warding off “every potential ‘deviation’ in the behavior of the debtor the future might hold.”<sup>151</sup> In this light, it appears that the financial innovation and “democratization of credit” from the 1970s to the 2000s actually served to neutralize the

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<sup>149</sup> Nixon, Rob. *Slow Violence and the Environmentalism of the Poor*. Cambridge: Harvard University Press, 2011, 2.

<sup>150</sup> Lazzarato, M., and Joshua David Jordan. *The Making of the Indebted Man: An Essay on the Neoliberal Condition*. Semiotext(e) Intervention Series 13. Los Angeles, CA: Semiotext(e), 2012, 8.

<sup>151</sup> *Ibid.*, 45.

risk posed by a desegregated state and an empowered citizenry. The securitized debt economy served to reduce “the future and its possibilities to current power relations,” appropriating “not only the present labor time of wage-earners and of the population in general” but “each person’s future as well as the future of society as a whole . . . the raw material of all political, social, or esthetic change.”<sup>152</sup> An indebted citizenry and indebted governments, as long as they honor their debt obligations, have little say in how they act in the future and little ability to set their own priorities, which are instead set by the assessments of creditors and their agents. In the following section, I examine in further detail one struggle to neutralize democratic time through the manufacture of a debt crisis that led to the emergency takeover and bankruptcy of Detroit, Michigan.

### **III. Debt Crisis, Emergency Management, and Neoliberal Authoritarianism**

For a variety of reasons, cities have been on the front line of neoliberal adjustments and experiments since the 1970s. The city arguably constitutes what Jamie Peck and Adam Tickell refer to as “the bleeding edge of processes of punitive-institution building, social surveillance, and authoritarian governance” associated with what they call “neoliberalization.”<sup>153</sup> This is not totally surprising as cities have historically been the sites of what, in the frame of neoliberal governmentality, would be viewed as democracy’s excesses: organized labor, large public-sector workforces, student militancy and protests, and large, hyper-segregated black and brown communities unable to move to the suburbs due to racist housing covenants and redlining practices. As I touched on briefly in my discussion of municipal credit and credit rating agencies in the previous

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<sup>152</sup> Ibid., 46-9.

<sup>153</sup> Peck, Jamie, and Adam Tickell. (2002), “Neoliberalizing Space.” *Antipode* 34, 395.



chapter, the importance and power of debt as both a life-line and restrictive tether for American cities has grown tremendously since the 1960s as deindustrialization and white flight to the suburbs eroded cities' tax bases.<sup>154</sup> The neoliberal dismantling and transformation of the welfare state, beginning in earnest in the 1980s under the Reagan administration, used the rhetorical guise of stimulating the economy by cutting taxes and returning power and responsibility to states and localities to slash federal funding to cities, forcing them to compete with each other in the private municipal debt market to fund projects and services.<sup>155</sup> Moreover, cities continue to be burdened with the costs associated with unfunded federal social control mandates to build and maintain prisons and increase police forces, further compelling them to incur debt.<sup>156</sup> In this way, cities were put in a highly precarious and dependent position, while at the same time they were positioned to appear free and responsible for choosing their own fates. Either they could continue to provide jobs and services and make up the funding shortfall using debt financing—under the supervision and on the terms of the credit rating agencies—or they would be starved of funding and end up in a fiscal crisis like that of New York City in 1975.

The New York City debt crisis of 1975 offers one of the first examples of a neoliberal-style structural adjustment on American soil. It followed the model of the U.S.-backed coup in Chile in 1973, which was used as a test run by University of Chicago trained economists to implement neoliberal “shock therapy”: tax cuts, privatized

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<sup>154</sup> Harvey, David. *A Brief History of Neoliberalism*. Reprinted. Oxford: Oxford Univ. Press, 2011, 45; Hackworth, Jason R. *The Neoliberal City: Governance, Ideology, and Development in American Urbanism*. Ithaca: Cornell University Press, 2007, 34.

<sup>155</sup> Hackworth, Jason R. *The Neoliberal City*, 24.

<sup>156</sup> *Ibid.*, 26.

services, cuts to social spending and trade deregulation.<sup>157</sup> The threat of crisis, exemplified by the fate of New York City, coupled with the discipline imposed by credit rating agencies—the gatekeepers of municipal credit markets—induced cities to accept austerity politics, reduce budgets, and abandon the rights and social provisions associated with Keynesian liberalism and Marshallian citizenship.<sup>158</sup> This strategy mirrored that used by the IMF in the Caribbean, Latin American and Africa where manufactured debt crises served to “soften up” countries disinclined to accept the Fund’s demands for privatization, deep cuts to social spending, and deregulation because these policies were extremely unpopular with citizens.<sup>159</sup> As Naomi Klein relates, “Coming unraveled by hyperinflation and too indebted to say no to demands that came bundled with foreign loans, governments accepted 'shock treatment' on the promise that it would save them from deeper disaster.”<sup>160</sup>

We see here another way in which debt acts as a colonial technique of temporal control; it serves as a vehicle of “shock” or “crisis,” creating what Giorgio Agamben calls a “state of exception.”<sup>161</sup> A state of exception involves “the suspension of the juridical order itself,” historically declared during a state of siege, insurrection, or civil war in which the constitution is suspended and expansive powers are transferred to an executive authority who may issue decrees with the force of law.<sup>162</sup> While states of exception are normally assumed to be temporary, according to Agamben, the “voluntary creation of a

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<sup>157</sup> Hackworth, *The Neoliberal City*, 34, and Klein, Naomi, *The Shock Doctrine: The Rise of Disaster Capitalism*. New York: Metropolitan Books/Henry Holt, 2007, 7.

<sup>158</sup> Sinclair, Timothy J. *The New Masters of Capital: American Bond Rating Agencies and the Politics of Creditworthiness*. Ithaca: Cornell University Press, 2005, 62

<sup>159</sup> Klein, *The Shock Doctrine*, 10.

<sup>160</sup> *Ibid.*

<sup>161</sup> Agamben, Giorgio, *State of Exception*. Chicago: University of Chicago Press, 2005, 1.

<sup>162</sup> *Ibid.*, 4-5.

permanent state of emergency” which may establish (as in the case of the Nazi state) a “legal civil war” allowing for the “physical elimination not only of political adversaries but of entire categories of citizens . . . has become one of the essential practices of contemporary states, including so-called democratic ones.”<sup>163</sup> As Walter Benjamin remarked during the rise of fascism in Germany: “The tradition of the oppressed teaches us that the ‘state of emergency’ in which we live is not the exception but the rule.”<sup>164</sup>

Not only during slavery or in the Jim Crow-era, but in today’s colorblind white democracy, people of color occupy a permanent state of the exception, as they have been branded the constitutive anti-citizen or “internal enemy,” whose constitutional rights and protections may be suspended at a moment’s notice.<sup>165</sup> This plays out in the interactions of individual African Americans with police forces, especially when they are singled out, outnumbered, or (seemingly) out of public view. At the larger scale of the population and the city, where overt racism and state violence have the potential to cause greater public outcry, and punitive adjustment policies may affect both whites and non-whites, neoliberals have perfected the art of seizing on debt crises as one of their core tactical nostrums in order to “act swiftly, to impose rapid and irreversible change before the crisis-racked society slip[s] back into the ‘tyranny of the status quo.’”<sup>166</sup> Truly radical free-market transformations have proved to be too difficult to impose democratically, and thus, creating an “atmosphere of large-scale crisis” as the necessary pretext to overrule the expressed desires of voters and their representatives becomes essential.<sup>167</sup>

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<sup>163</sup> Ibid., 2.

<sup>164</sup> Benjamin, Walter and Hannah Arendt. *Illuminations*. New York: Schocken Books, 2007, 257.

<sup>165</sup> McKnight, Utz. *Race and the Politics of the Exception: Equality, Sovereignty, and American Democracy*. New York: Routledge, 2013, 37.

<sup>166</sup> Klein, *The Shock Doctrine*, 7.

<sup>167</sup> Ibid.

Credit and debt are doubly propitious in this regard because, on the one hand, easy credit creates a boom time in which cities can finance capital investments and services while interest accrues to lenders and investors, while on the other hand, debt default creates a crisis which, through the emergency powers of a singular executive or team of experts put in charge, the city may become a “clean slate on which to build a reengineered model society.”<sup>168</sup> In other words, debt’s crisis temporality creates a rift in everyday democratic time where normal expectations and processes slow down or stop while authoritarian transformations may speed up and be rapidly implemented.

With this in mind, let us examine how the declaration of a debt crisis in Detroit, Michigan in 2013 led to the suspension and sidelining of the city’s democratically elected officials, its takeover by an emergency manager, and the city’s structural adjustment via bankruptcy proceeding. Since the 1970s, Detroit, inasmuch as it is identified with its majority-Black population and is considered a “Black city,” has been subject to increased perceptions of credit risk and a lower estimations of creditworthiness. Lester Spence argues that to the extent that the “American city as we know it is not only a hub for the well-fitted entrepreneurial class but also for the poor and nonwhite,” cities like Detroit have been represented as “dangerous, crime ridden, and inefficient” and their governing institutions have been depicted as corrupt.<sup>169</sup> Detroit, a city with a history of radical black labor organizing, a solid black middle class, black home-ownership, and as a seat of autonomous black political power and citizenship, arguably has the potential to exemplify the abolition-democracy envisioned by Du Bois, in which African Americans have been

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<sup>168</sup> McClanahan, Annie. *Dead Pledges: Debt, Crisis, and Twenty-First-Century Culture*. Stanford: Stanford University Press, 2017, 13-5, and Klein, *The Shock Doctrine*, 20.

<sup>169</sup> Spence, Lester. *Stare in the Darkness: The Limits of Hip-hop and Black Politics*. Minneapolis: University of Minnesota Press, 2011, 15.

able to achieve education, the ownership of land and capital, exercise their civil rights and govern themselves.<sup>170</sup> Therefore, it is not surprising, if we consider neoliberal governmentality to be a racial project that seeks to reinvent white democracy, that Detroit has been portrayed—by the credit rating agencies, the Michigan governor, and the mainstream media—as a hopelessly indebted subject, undeserving of credit, respect, or autonomy. This in spite of Detroit’s four decades under austere African American mayors—from Coleman Young to Kwame Kilpatrick—who took pages right out of the neoliberal playbook.<sup>171</sup>

For instance, Jason Hackworth argues that under Mayor Coleman Young from 1973-1993, Detroit embraced the “virtues of fiscal conservatism” with less reluctance than Philadelphia or New York, adapting the conduct of the city in search of an investment grade credit rating and in order to attract business investment.<sup>172</sup> However, despite his aggressive efforts to make city government more austere, for years these actions did not result in a favorable credit rating, and in the nineties *The Economist* called Young “the creature of a discredited school of Democratic politics, over keen on entitlements and given to playing on class and racial antagonisms,” a criticism that was trotted out again in 2013 to blame Young for the city’s bankruptcy crisis.<sup>173</sup> Not only

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<sup>170</sup> For a history of Black labor activism in 20<sup>th</sup> century Detroit that challenged racial liberalism see Lewis-Coleman, David. *Race against Liberalism: Black Workers and the UAW in Detroit*. Urbana and Chicago: University of Illinois Press, 2008. For a compelling history of racial politics in postwar Detroit see Sugrue, Thomas J., *The Origins of the Urban Crisis: Race and Inequality In Postwar Detroit*. Princeton, N.J.: Princeton University Press, 1996.

<sup>171</sup> Since Coleman Young but prior to the bankruptcy, a succession of mayors in Detroit including Dennis Archer, Kwame Kilpatrick, Ken Cockrel, Jr., and most recently Dave Bing, have all been bearers of neoliberal governmentality: enacting all manner of reforms to city government that sought to foster competitiveness, entrepreneurship, public-private partnerships, downtown development and gentrification, privatization, citizen voluntarism and personal responsibility. See Spence, *Stare in the Darkness*, 2011.

<sup>172</sup> Hackworth, *The Neoliberal City*, 37.

<sup>173</sup> Ibid.

does *The Economist* use the word “creature” to refer to Young, tapping into a long history of whites representing black identity as a marker of the subordinated status of the non-human animal vis-à-vis white civilized humanity;<sup>174</sup> here Detroit’s commitment to abolition-democracy stands in as a colorblind indicator of its blackness and “discredited” status, and is used by neoliberal paternalists to portray the city as irresponsible and “behind the times” of neoliberal modernity, generating what Spence would call an “affective shift away from progressive government and its solutions and toward more punitive ones.”<sup>175</sup>

Both Hackworth and Timothy Sinclair note how Detroit, despite its exemplary neoliberal conduct, has largely been unable to garner the same credit rating as comparable cities displaying similar conduct, but without black city leaders or a majority-black population.<sup>176</sup> The supposedly race neutral evaluation of Detroit’s “population” has also come to serve as a crucial factor justifying the city’s lack of credit. In an interview, Brenton W. Harries, the president of Standard & Poor’s from 1972 to 1981, denied that race was a factor in rating judgments, but he did mention, in reference to Detroit, that “this particular mix of population requires more welfare payments, more housing. They’re more of a drain as opposed to being more a contributor.”<sup>177</sup> While rating agencies insist that they focus on the neutral quantitative dynamics of a city’s population, Sinclair stresses that there is data showing a “relationship between the higher rungs of the

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<sup>174</sup> See McKnight, Utz. *Race and the Politics of the Exception: Equality, Sovereignty, and American Democracy*. New York: Routledge, 2013, 91-3.

<sup>175</sup> Ibid, 15.

<sup>176</sup> Hackworth, *The Neoliberal City*, 37; Sinclair, Timothy J. *The New Masters of Capital: American Bond Rating Agencies and the Politics of Creditworthiness*. Ithaca: Cornell University Press, 2005, 109.

<sup>177</sup> Sinclair, *The New Masters of Capital*, 109.

rating scales and home ownership, and the lower rungs and predominance of black Americans in the local population.”<sup>178</sup>

In March of 2013, the State of Michigan’s Republican governor Rick Snyder ordered the City of Detroit to be placed under emergency management. This event signaled a watershed moment in which cities in Michigan comprising approximately 10% of Michigan’s total population but over 50% of Michigan’s African American population, had been placed under an exceptional form of non-democratic control for perceived financial mismanagement. The governor’s power to declare an economic state of exception was authorized by a recently updated Michigan state law called the “Local Financial Stability and Choice Act” or PA 436.<sup>179</sup> Four months later on July 18th, under the unilateral control of its newly appointed emergency manager—an African American bankruptcy lawyer with Michigan roots named Kevyn Orr—the City of Detroit filed for Chapter 9 bankruptcy. In his letter authorizing Orr’s decision to file for bankruptcy, Governor Snyder proclaimed that the bankruptcy filing was the end result of “60 years of decline for the city,” a period in which “reality was often ignored.”<sup>180</sup> In his remarks, Snyder disavows the numerous structural and contingent factors leading up to Detroit’s bankruptcy—chief among them a precipitous drop in state revenue sharing with the city coupled with the effects of the 2008 mortgage crisis and property foreclosures that put the city’s already strapped tax base underwater—and, in a rhetorical move that tars Detroit as beholden to its supposedly profligate past, makes the city singularly responsible for its

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<sup>178</sup> Ibid.

<sup>179</sup> PA 436 is largely similar to its predecessor law, PA 4, which was repealed by public referendum in November 2012.

<sup>180</sup> Snyder, Richard D. “Authorization to Commence Chapter 9 Bankruptcy Proceeding.” State of Michigan. Executive Office Correspondence, July 19, 2013, 1-2. Accessed April 12, 2014.  
[http://www.michigan.gov/documents/snyder/Governor\\_Snyder\\_Chapter\\_9\\_Authorization\\_427830\\_7.pdf](http://www.michigan.gov/documents/snyder/Governor_Snyder_Chapter_9_Authorization_427830_7.pdf).

own decline, which Snyder extends back to the era when whites started abandoning the city.

Snyder is not the only one with this type of explanation for the city's bankruptcy. In October 2013, Detroit's then mayor Kwame Kilpatrick was sentenced to 28 years in prison—an exceptionally harsh punishment—for his conviction on counts of racketeering and extortion. In a *New York Times* article describing the sentencing, Kilpatrick's punishment is presented as “the closest [Detroiters] will get to holding past leaders accountable for decades of disappointment and poor fiscal decisions.”<sup>181</sup> Kilpatrick is described as accelerating Detroit's move toward bankruptcy and as a “poster child of what went wrong with the city and why it went bankrupt.”<sup>182</sup>

For his part, Kevyn Orr, emergency manager of Detroit from July 2013 until December 2014, has remarked that Detroit's black politicians were happy to be complacent and “for a long time the city was dumb, lazy, happy and rich.”<sup>183</sup> Moreover, Orr told the *Wall Street Journal* that, in his role as unelected emergency manager, he would be a “benevolent” dictator, and insisted that he had “support from the silent majority,” a dog-whistle line appealing to white racial resentment lifted directly from Richard Nixon.<sup>184</sup> Even U.S. Bankruptcy judge Steven Rhodes who oversaw Detroit's bankruptcy proceedings, in an interview marking his retirement at the conclusion of the trial, commented, “Part of the decline of the city itself can be attributed to our unique racial circumstances . . . The city was desperate, and desperate people and desperate

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<sup>181</sup> Yaccinto, Steven. “Kwame M. Kilpatrick, Former Detroit Mayor, Sentenced to 28 Years in Corruption Case.” *The New York Times*. October 10, 2013. [http://www.nytimes.com/2013/10/11/us/former-detroit-mayor-kwame-kilpatrick-sentencing.html?\\_r=0](http://www.nytimes.com/2013/10/11/us/former-detroit-mayor-kwame-kilpatrick-sentencing.html?_r=0)

<sup>182</sup> Hackworth, *The Neoliberal City*, 37; Sinclair, *The New Masters of Capital*, 109.

<sup>183</sup> Quoted in Finley, Allysia. “Kevyn Orr: How Detroit Can Rise Again.” *The Wall Street Journal*, sec. Opinion, August 02, 2013.

<sup>184</sup> *Ibid.*



entities do desperate things.”<sup>185</sup> In their hardly veiled attempts to blame Detroit’s dysfunction on the presumed cultural dysfunction of its black citizens, Snyder, the *New York Times*, Orr and Rhodes obfuscate the way in which, after years of conduct that conformed so impeccably to the market-driven norms and expectations of the rating agencies, banks, developers and state officials, it was actually a short-term debt crisis legally engineered to trigger an authoritarian takeover that drove the city into insolvency.<sup>186</sup>

The emergency manager law, PA 436, authorizes “remedial measures” to be taken when cities and school districts display signs of “financial stress,” and it also authorizes a state of exception when these signs add up to a “financial emergency” at which point an “emergency manager,” appointed by the governor, is placed in almost total sovereign control of the city or school district with a mandate and powers to act in his or her sole discretion to solve its problems.<sup>187</sup> The law contends that for the credit of the city and the state to be preserved—and by extension, for private creditors to be paid, credit rating agencies satisfied, and for the free market in debt to continue operating smoothly—“prudent fiscal management” must be restored, “restructuring of contractual obligations”

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<sup>185</sup> Bukowski, Diane. “Rhodes Says Detroit’s ‘Unique Racial Composition’ Led to Bankruptcy; Ignores ‘COPS’ Fraud.” Voiceofdetroit.net. February 21, 2015.

<sup>186</sup> For instance, Detroit entered into pension obligation certificate (a type of interest rate swap) deals in 2005 and 2006 under the Kilpatrick administration with the intention of getting around debt restrictions and reducing its pension liability, which ended up backfiring with the onset of the mortgage crisis. The deals proved to be one of the main contributors to a short term cash crisis which the state used to justify an emergency takeover of the city. These deals included provisions that stated that if the city’s credit rating was downgraded below investment grade, or if an emergency manager were appointed for the city, the banks that loaned it money would be entitled to “termination payments” of between \$250-350 million. In January 2009, S&P downgraded the city’s general obligation bonds to junk status due to concerns with the city’s revenue, setting these termination payments into motion and placing the city into an extremely precarious financial position. See Turbeville, Wallace C. “The Detroit Bankruptcy.” Demos. November 2013, 1. [www.demos.org/publication/detroit-bankruptcy](http://www.demos.org/publication/detroit-bankruptcy). (Accessed April 27, 2014)

<sup>187</sup> Local Financial Stability and Choice Act. 2012. PA 436, §1-4.

must be permitted, and the sovereignty of the local people and their democratically elected representatives must be suspended and transferred to an expert administrator.<sup>188</sup>

The law couches this justification for extreme intervention in the case of fiscal mismanagement in the language of security and risk, asserting that “the fiscal stability of local governments is necessary to the health, safety, and welfare of the citizens of this state and that it is a valid public purpose” for the state to provide for a range of disciplinary measures if financial instability is suspected.<sup>189</sup> One can speculate that it is primarily the health, safety, and welfare of the *white* citizen that is at stake here, but the law remains fully within the colorblind rhetorical space of neoliberal exception whereby a city’s debt default is presented as a “nonpolitical and nonideological” problem in need of a technical solution provided by an expert manager brought in from the outside.<sup>190</sup>

PA 436 enables the governor to appoint an agent with the power to restructure and monetize what had been off limits even under previous neoliberal regimes: entrenched pension and healthcare benefits, collective bargaining agreements, and valuable public assets held by the city, like the Detroit Institute of Arts, the Department of Water and Sewerage, and Detroit’s public lighting grid.<sup>191</sup> PA 436 provides the emergency manager (EM) with broad powers beyond those of the mayor and city council including the power to violate city charters and even the Michigan State constitution by authorizing the EM to unilaterally “reject, modify, or terminate” collective bargaining agreements, take over

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<sup>188</sup> Ibid., §3(b).

<sup>189</sup> Ibid., §3(c).

<sup>190</sup> Ong, Aihwa. *Neoliberalism As Exception: Mutations In Citizenship and Sovereignty*. Durham [N.C.]: Duke University Press, 2006, 3.

<sup>191</sup> See City of Detroit. “Proposal for Creditors,” June 14, 2013. Accessed April 27, 2014. <http://www.detroitmi.gov/Portals/0/docs/EM/Reports/City%20of%20Detroit%20Proposal%20for%20Creditors1.pdf>.

and potentially alter a city's pension funds, merge or eliminate city departments, hire and fire city employees, bring in private contractors, auditors or technical personnel to take over city functions, lease, sell, or transfer city-owned assets, merge the city with another municipality, and even disincorporate and dissolve the city itself.<sup>192</sup> Importantly, the EM may "recommend to the governor that the municipality file for chapter 9 bankruptcy, and . . . proceed to represent the city in bankruptcy negotiations with creditors."<sup>193</sup> This state of non-democratic exception for the people of Detroit authorized by PA 436 is supposedly necessary because, according to Governor Snyder, "the current system has not been working" and so the time has come "to bring all our resources to bear to say: 'let's just solve the problem.'"<sup>194</sup>

The use of debt crises to install emergency management regimes in Detroit, other Michigan cites, and, more recently, on an even greater scale in Puerto Rico, offers compelling evidence that anti-black racism and white supremacy are not a coincidental or epiphenomenal aspects of the neoliberal threat to democracy, but central to it. When Detroit was placed under the power of an emergency manager, several majority-black cities and school districts in Michigan like Benton Harbor, Flint, Pontiac and the Detroit Public Schools were already under emergency management. Up until December 2014 when Detroit exited emergency management, over 50% of Michigan's black population had lost their right to democratic representation and self-government due to emergency

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<sup>192</sup> PA 436, §9, 12(k) *et seq.*

<sup>193</sup> *Ibid.*, §9, 18.

<sup>194</sup> "Gov. Rick Snyder Announces Detroit Needs Emergency Financial Manager." *Detroit Free Press* video, 6:09, March 2, 2013.  
<http://www.freep.com/article/20130302/NEWS01/303020128/Gov-Rick-Snyder-to-appoint-emergency-financial-manager-for-Detroit>

takeover.<sup>195</sup> EMs in Detroit, Flint, Benton Harbor and elsewhere have gutted city service provision, disciplined labor, cut health and pension benefits, privatized public assets, and even shut off residents' water as a means of collecting past due bills.<sup>196</sup> Just as cities were subjected to the racial redlining of real estate, which formally and informally enforced the segregation of their populations and reduced mobility and economic opportunity for people of color, predatory lending, "reverse-redlining," property-tax foreclosures,<sup>197</sup> "criminal justice debt"<sup>198</sup> and emergency management hyper-concentrate the effects of both slow and rapid violence on black cities and populations, and jeopardize the prospects of democracy for all.<sup>199</sup>

The austerity measures enacted through Michigan's emergency management regime have caused severe harm to the residents of the affected cities, especially people of color. The strategy that Snyder and Orr pursued during Orr's tenure as EM was to clear the ground of undesirable legacy costs, inefficient labor contracts, and to privatize the infrastructure serving Detroit and other cities. In Detroit, the governor and emergency manager pursued measures that have proven effective in making the city attractive for business development and a settler population of "creative" gentrifiers, drawn to the city's gritty charm and its potential to serve as a blank canvass for social innovation. The city's existing population—weighed down by the slow violence of white flight,

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<sup>195</sup> United States. HR. Judiciary Committee. "Democracy for Sale: Subverting Voting Rights, Collective Bargaining and Accountability under Michigan's Emergency Manager Law." Interim Report and Recommendations of the House Judiciary Committee Democratic Staff. February 21, 2012, 9.

<sup>196</sup> Wile, Rob. "Detroit is starting to shut off people's water again." *Splinter*, May 29, 2015. <https://splinternews.com/detroit-is-starting-to-shut-off-peoples-water-again-1793848004>

<sup>197</sup> Atuahene, Bernadette. "Don't Let Detroit's Revival Rest on an Injustice." *New York Times*, July 22, 2017.

<sup>198</sup> Murch, Donna. "Paying for Punishment: The New Debtors' Prison." *Boston Review*, August 1, 2016. <https://bostonreview.net/editors-picks-us/donna-murch-paying-punishment>. (accessed September 16, 2016)

<sup>199</sup> Goldberg, David Theo. *The Threat of Race: Reflections On Racial Neoliberalism*. Malden, MA: Wiley-Blackwell, 2009, 72-3.

segregation, deindustrialization, indebted control and imposed austerity—are treated as bankrupts who no longer deserve the right to self-government, and must either be disciplined or allowed to die.<sup>200</sup> As Orr confidently explained to *The Wall Street Journal*: “The untold story of Detroit is young people . . . I met with two dozen entrepreneurs . . . these are kids in their 20s who can go anywhere and are making it work.”<sup>201</sup> In his own small-scale rendition of trickle-down economics, Orr hopes that his plan will eventually push development from the downtown business district and emergent hipster colonies like Corktown—which he describes as “the frontier of civilization”—out to the blighted neighborhoods.<sup>202</sup>

However, from the perspective of those most affected by the results of this experiment in neoliberal authoritarianism, the outlook for Detroit does not appear as rosy as Orr promises. In the words of Michigan State Senator Virgil Smith, Jr. spoken in protest on the floor of the Michigan Senate upon the passage of PA 436, “You guys act like this is some kind of panacea; that it’s going to actually get things in order. . . . All this is rearranging the chairs on the deck so somebody else can take this money and put it in their pocket. . . . Folks could care less about coming into the ghetto to get things right, at the end of the day.”<sup>203</sup> State Senator Coleman Young II of Detroit was even less circumspect with his comments about emergency management:

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<sup>200</sup> Here we are in the arena of biopolitical racism. In his lecture course *Society Must Be Defended*, Foucault defines biopower (in contrast to sovereign power) as a technology of power over the population, specifically, the power of “making live and letting die.” Foucault, Michel, Mauro Bertani, Alessandro Fontana, François Ewald, and David Macey. *“Society Must Be Defended”: Lectures At the Collège De France, 1975-76*. New York: Picador, 2003.

<sup>201</sup> Quoted in Finley, Allysia. “Kevyn Orr: How Detroit Can Rise Again.” *The Wall Street Journal*, sec. Opinion, August 02, 2013.

<sup>202</sup> Ibid.

<sup>203</sup> State of Michigan. Journal of the Senate 96th Legislature Regular Session of 2012. No. 80. December 13, 2012. Accessed April 29, 2014.

If you are looking for an example of the success of EMs, look no further than DPS [Detroit Public Schools]. We have an emergency dictator over there, and they still have books that don't show up, they still have Internet that doesn't work, and they have fifty kids to a class. The 1999 takeover had folks who were supposed to be fixing school districts, but instead they started to rape, rob, pillage, raid, and blame the school district. We must reject these municipal marauders as they come into our districts and take away our freedom and emancipation. . . . the definition of insanity is doing the same thing over and over again and expecting a different result.<sup>204</sup>

In Flint, which was placed under emergency management by Snyder in 2011, the result of their cost-cutting strategy led to the decision, by the emergency manager Ed Kurtz, to use the polluted Flint River, starting in April of 2014, as an interim source of the city's drinking water.<sup>205</sup> It wasn't revealed until July of 2015 that Flint's residents, including at least 6,000 children, had been drinking and bathing in hazardous water as a result of this decision, leading to record levels of lead poisoning.<sup>206</sup>

The people living in the cities most affected by the discipline of the rating agencies and the authoritarian control of emergency managers or bankruptcy judges recognize that these governmental techniques and the neoliberal transformations they enact have done the opposite of improving their general economic conditions or quality of life. While Detroit's emergency manager has packed his bags and glossy magazine spreads proclaim a "new day" for Detroit, an unelected "Financial Review Commission" will retain control over the city budget for the next thirteen years.<sup>207</sup> The "Plan of Adjustment" for the city, agreed to in bankruptcy court, lays out "cost-saving initiatives"

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<http://www.legislature.mi.gov/%28S%28oxhulsqmpmpa54mqddj21b45%29%29/documents/2011-2012/Journal/Senate/pdf/2012-SJ-12-13-080.pdf>.

<sup>204</sup> Ibid.

<sup>205</sup> Stanley, J. "The Emergency Manager: Strategic Racism, Technocracy, and the Poisoning of Flint's Children." *The Good Society*, vol. 25 no. 1, 2016, pp. 1-45. *Project MUSE*, muse.jhu.edu/article/658670, 28-31.

<sup>206</sup> Ibid.

<sup>207</sup> White, Jerry. "Detroit chief financial officer outlines program of permanent austerity." World Socialist Web Site. September 5, 2014. <https://www.wsws.org/en/articles/2014/09/05/detr-s05.html>

in addition to the cuts to retiree pensions and city employee healthcare, which will keep the city in a permanent state of austerity for years to come.<sup>208</sup>

In response to those who have criticized the emergency manager law as anti-democratic and racist, Governor Snyder has sounded an upbeat tone, suggesting that people shouldn't waste time making it a political issue by assigning blame or "discussing how we got there."<sup>209</sup> Instead, he told the public: "The long term answer to this solution is not to dwell on the negative . . . we need to use a phrase I live by: Relentless Positive Action. We need no blame, no credit. We need to simply solve this problem and head toward a bright exciting Detroit."<sup>210</sup> In his response to Detroiters' criticisms that their city had been taken away from them and put into bankruptcy, Judge Rhodes had this advice: "I urge you now to forget your anger. Your enduring and collective memory of what happened here, and your memory of your anger about it, will be exactly what will prevent this from ever happening again. It must never happen again."<sup>211</sup> He followed this statement by encouraging angry voters to engage in the democratic process, telling them "It is your City," apparently missing or disregarding the bitter irony.<sup>212</sup>

These statements by Snyder, Orr, and Rhodes encouraging political amnesia and complacency after Detroiters' democratic rights were trampled, are reminiscent of the way freedmen were encouraged to forget the crimes of slavery. In Saidiya Hartman's words:

The repression of slavery's unspeakable features and the shockingly amnesiac portrait of the peculiar institution produced national innocence yet

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<sup>208</sup> Ibid.

<sup>209</sup> "Gov. Rick Snyder Announces Detroit Needs Emergency Financial Manager." *Detroit Free Press* video, 6:09, March 2, 2013.

<sup>210</sup> Ibid.

<sup>211</sup> Guyette, Curt. "Detroit bankruptcy: Debt and Democracy." *The Michigan Citizen*. December 16, 2014. Available at [http://www.finalcall.com/artman/publish/Business\\_amp\\_Money\\_12/article\\_101997.shtml](http://www.finalcall.com/artman/publish/Business_amp_Money_12/article_101997.shtml)

<sup>212</sup> Ibid.

enhanced the degradation of the past for those still hindered by its vestiges because they became the locus of blame and the site of aberrance. While the enduring legacy of slavery was discernable in the disfigurements of freedom, its vestiges and degradations were addressed almost exclusively as problems of conduct and character.<sup>213</sup>

The emergency takeover and structural adjustment of Detroit and other cities are presented as if they were totally apolitical and rational solutions to crises caused by the cities' own mismanagement and moral failings. Those responsible for orchestrating and taking advantage of these crises attempt to project their own benevolence and innocence, while encouraging the victims of this racialized violence to forget what happened and move on.

#### **IV. Conclusion: Toward an Abolition-Democracy**

This chapter has attempted to provide an answer to the question “What’s Goin’ On?” at the intersection of debt and democracy under the contemporary neoliberal regime of racial capitalism. Here, and in previous chapters, I provided evidence that American democracy, in its past and present forms, has been corrupted by “white credit,” that is, whiteness considered as a presupposed badge of moral rectitude, economic creditworthiness and full political citizenship. White credit has historically been predicated on reinforcing the degraded, indebted, and inferior status of Native Americans, African Americans, Latinos, Asian Americans and other groups deemed “not-white” and placing them on the debit side of the human racial equation.<sup>214</sup> To the extent that the promise of American democracy has been predicated on the mythology of the American

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<sup>213</sup> Hartman, Saidiya V. *Scenes of Subjection: Terror, Slavery, and Self-Making in Nineteenth Century America*. Race and American Culture. New York, NY: Oxford Univ. Press, 1997, 133.

<sup>214</sup> It is arguable that this includes lower class whites considered to be “white trash”. See Isenberg, Nancy. *White Trash: the 400-Year Untold History of Class in America*. New York: Viking. 2016.



Dream, which disavows the violent history of racial capitalism to project the image of America as an even playing field, I contend that avowing the staying power of white credit in contemporary politics allows us to disrupt ongoing forms of racialized violence obscured by America's presumed democratic status.

In concluding this chapter, I want to make abundantly clear the political stakes of the dissertation as a whole. Identifying the nexus of debt and racism and its anti-democratic effects in different political temporalities and geographies is, in my view, absolutely crucial to challenging ongoing practices of racial domination and economic exploitation. Without a critical theory of creditor-debtor relations and the type of neo-colonial government and political economy they enable, such as the one I offer here, academics, journalists, experts, and politicians may continue to persuasively portray indebtedness leading to economic inequality and authoritarian forms of government as the politically and racially neutral results of individual choices made freely and for which the indebted subject alone is responsible.

We see in the case study from the state of Michigan this very dynamic: the strategic deployment of credit/debt as a means of “shock therapy” leading to authoritarian control of local government serving to clear the way for domestic settler colonialism. Indebted control functions via the power asymmetries produced by racialized creditor-debtor relations wherein white credit has historically afforded those considered white the enjoyment of moral superiority and full citizenship, while the indebtedness foisted onto people of color has justified their ongoing exploitation and disenfranchisement. Recently, with the securitization and expansion of credit during the neoliberal period, the ranks of the indebted have come to include a much larger slice of the population, placing those in

the white working and middle classes closer to the subject position and status of indebted people of color – a phenomenon that has fomented dissident acts of resistance as well as a reactionary embrace, by some, of the white supremacist politics of “Trumpism” – a turn that William Connolly calls “aspirational fascism.”<sup>215</sup>

This analysis therefore leads us back to the pressing question: “What is to be done?” What is to be done about the slow death of democracy through the mechanisms of credit and debt? What is to be done to confront and move beyond the brutal legacy of an America which, for most of its history, could best be described as a *Herrenvolk* democracy serving a racialized system of capitalism wherein debt was both a mark of degraded non-white/non-citizen status and a tool of moral condemnation, criminalization and servitude? What is to be done to account for the unacknowledged debts the country owes to its indigenous peoples and former slaves? What is to be done about the tragic situation in which the seductions of credit and the financial burdens and anxieties produced by mounting debts have led a large section of working and middle-class white Americans to embrace a politics of revenge against immigrants and minorities rather than a politics of solidarity with their brown and black neighbors to combat the machinations of the ultra-wealthy elite that profits handsomely from their combined suffering? Indeed, how do we forge pluralistic alliances and solidarities among the indebted majority population that is divided along racial lines by a governmentality of indebted control while it is collectively dispossessed of wealth, time, and energy?

Within the scope of this dissertation, my general response to the “Lenin question” is to forcefully raise these critical questions about debt, race, capitalism and democracy

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<sup>215</sup> Connolly, William E., *Aspirational Fascism: The Struggle for Multifaceted Democracy Under Trumpism*. Minneapolis: University of Minnesota Press, 2017.

as part of a call to action. However, to provide at least a slightly more satisfying answer to this question, and with the politics of indebtedness, neoliberalism, and white supremacy firmly in our sights, let us very briefly return to the question of “abolition” raised at the beginning of this chapter. In their book *Undercommons: Fugitive Planning and Black Study*, Stefano Harney and Fred Moten ask:

What is, so to speak, the object of abolition? Not so much the abolition of prisons but the abolition of a society that could have prisons, that could have slavery, that could have the wage, and therefore not abolition as the elimination of anything but abolition as the founding of a new society.<sup>216</sup>

Abolition as the founding of a new society. How could we make this society an abolition-democracy? In other words, what must be abolished in order to make Du Bois’ dream of abolition-democracy live? Debt. What type of abolition might truly lead to a radically pluralistic democratic society? Debt abolition. But not the abolition of all forms of debt. We must abolish the debt racked up as a result of the gift of freedom. Colonial debt. The unearned debt of slavery. Debt incurred at the behest and in the service of white credit. Perhaps even, at the level of our moral psychology, the debt that makes us feel guilty; the debt that recommends punishment, self-abuse, and incites in us the desire for revenge, the desire to get payback.

From what we’ve learned by taking a hard look in this study at the history and politics of credit and debt—from the birth pangs of capitalism to the present—the species of debt that must be abolished is the debt that is produced as the hallmark and artifact of all forms of colonization. Credit and debt that together form a political weapon for the (dis)possession of one’s freedom, which works by and through one’s very desire for

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<sup>216</sup> Harney, Stefano, and Fred Moten. *The Undercommons: Fugitive Planning & Black Study*. Wivenhoe: Minor Compositions, 2013, 42.

freedom. We must seek the abolition of the type of debt that follows on the heels of the offer of credit; the type of debt that must beg to be forgiven. Seeking the forgiveness of monetary and financial debts while leaving the racialized framework of existential credit and debt in place is only a matter of buying time. It is this colonial form of debt-thinking, which animates the governmentality of indebted servitude and control that must be abolished. Indeed, as Moten and Harney put it, “Governance is the wit of the colonial official, the CIA woman, the NGO man;” it is the offer of credit and the prospect of recognition that invites and seduces the colonized to participate in their own domination.<sup>217</sup> It is this promise of credit, premised on the supremacy and desirability of whiteness that must, in the final analysis, be abolished.

If it is this society that operates on the colonial relation between the racially superior creditor and the racially inferior debtor that must be abolished, then what would debt look like in an abolition-democracy? Perhaps we cannot and would not want to recreate the gift-giving societies studied and portrayed by Marcel Mauss, but we can be inspired by these visions of societies in which debt circulates in a spirit of generosity, abundance and competitive displays of excess wealth rather than out of a desire to punish and/or make a profit. Mauss offers examples from non-Western societies and Nietzsche offers examples from antiquity in which debts ran in all directions, creating bonds of mutual respect and friendship rather than one way streams of interest.

However, we must remember that these practices and this alternate way of approaching debt are not completely outmoded; they coexist and cohabitate with the dominant mode of credit and debt characteristic of contemporary racial capitalism, which

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<sup>217</sup> Ibid., 52.

I have attempted to theorize in these pages. Moten and Harney express this differing valence of debt in words more eloquent than my own:

They say we have too much debt. We need better credit, more credit, less spending. They offer us credit repair, credit counseling, micro-credit, personal financial planning. . . . But our debts stay bad. We keep buying another song, another round. It is not credit we seek nor even debt but bad debt which is to say real debt, the debt that cannot be repaid, the debt at a distance, the debt without creditor, the black debt, the queer debt, the criminal debt. Excessive debt, incalculable debt, debt for no reason, debt broken from credit, debt as its own principle.<sup>218</sup>

They affirm debt that cannot be repaid, debt without credit or creditor, debt that stays “bad” in a good way. To the extent that debt is, for better or worse, intertwined with the meaning, identity, and everyday practices of black life (and in varying ways in the identities and ways of living of all groups denied the benefits of white credit) it would be counterproductive, impossible and indeed harmful to attempt to extricate the two. Better to affirm “bad debt,” emptying the word debt of its derogatory meaning (in a way similar to the affirmative signification of the word “queer”) in order to affirm the ones it describes – to affirm the black debtor, the queer debtor, the Native debtor, the criminal debtor, the student debtor, the single-mother debtor, the artist debtor, the teacher debtor, the nurse debtor, the immigrant debtor, the indebted demos struggling desperately to avoid being undone.

To found a truly abolitionist democratic polity governed by and accountable to the demos in all of its rhizomatic glory, I advocate that the asymmetrical and hierarchical relation between creditor and debtor be broken in favor of a multitude of incalculable little debts. If, as Moten and Harney argue, “Credit is a means of privatization and debt a means of socialization,” then perhaps affirming, multiplying, and accelerating debt is one means

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<sup>218</sup> Ibid., 61.

of affirming social democracy by over-drafting the accounts of liberal democracy, and in so doing, breaking up the white, unitary, “civilized” sovereign model of the creditor into a thousand tiny debtors, a thousand little acts of socialization, a thousand micropolitical debts escaping in all directions.<sup>219</sup> If credit is a means of privatizing the public and enclosing the commons, then its abolition coupled with an agenda for the encouragement of bad debts and the recognition that we are all, in fact, hopelessly indebted to and reliant upon each other, is perhaps one means of reclaiming and recreating a common space – a space of refuge for bad debtors among other bad debtors from which democracy may draw strength and sustenance.<sup>220</sup> This, in my estimation, is at least one promising angle from which we might respond to the dangers posed to democracy by the forces of credit and debt today.

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<sup>219</sup> Ibid.

<sup>220</sup> Moten and Harney name this space the “fugitive public.” Ibid.

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## **Curriculum Vitae**

Christopher A. Forster-Smith was born in Seattle, Washington on June 23, 1984. He graduated with honors from Grinnell College in 2006 with a B.A. in philosophy and French. He received his M.A. in political science from Johns Hopkins University in 2016, and his Ph.D. in political science from Johns Hopkins University in 2018 under the supervision of Professors William E. Connolly and P. J. Brendese. His scholarly interests include critical theory, critical race theory, political economy, democratic theory, critical technology studies, history of political and moral thought, and urban politics. He lives in Baltimore, Maryland with his wife Victoria and daughter Angelina.